Colonial Past

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TODAY: SCIENCE

South Korea Fears A Financial Crisis Topping Thailand's

Capital Squeeze Growing So Severe That Some Banks Are Threatened, And Many May Reduce Lending

By Bill Austin
Bloomberg News

SEOUL — South Korea is plunging deeper into a financial crisis that may soon dwarf those in Thailand and other parts of Southeast Asia, bank executives said Wednesday.

A costly — and probably futile — attempt to keep South Korea's currency from weakening is tightening the screws on the country's banks, according to these executives. Many lenders say they are already having trouble raising money.

.The Asian crisis imperils its political leaders. Page 4.

The capital squeeze is growing so severe that the survival of some banks may be in doubt. Many are likely to curb lending, threatening to tip the world's 11th-largest economy into recession.

"The odds for recession are higher than the odds for recovery," said Desmond Supple, the head of Asian currency research at Barclays Bank PLC. As the depth of South Korea's troubles becomes more apparent, some economists said for the first time that they are starting to doubt whether the country can solve its problems on its own.

Like Thailand and Indonesia, South Korea may be forced to turn to the International Monetary Fund or other outside sources for emergency credit to shore up its currency and economy.

Such concern will not help South Korea's battered stock market. The benchmark KOSPI Index has fallen almost 25 percent this year in dollar terms.

But the won's decline helped Korea sell a record $12.58 billion worth of exports last month, cutting the trade deficit for the first 10 months of the year to $10.4 billion, from $17.3 billion a year earlier.

The speed of the won's decline, however, means the benefits of cheaper exports are offset by increased debt and rising import costs.

South Korea's central bank is depleting its foreign-cur*rency reserves by buying won to support the currency.*

Some economists say that reserves — which are estimated at between $15 billion and the official $30 billion once foreign-currency contracts are included — are now unsustainably low. The central bank is ordering companies to stop hoarding dollars. The Bank of Korea has good reason to move fast.

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Mochtar Zakaria/The Associated Press

President Suharto's son Bambang Trihatmodjo and daughter Siti Hediati Prabowo shown last year. Mr. Bambang accused the finance minister of trying to discredit the first family.

Suharto's Son Sues Government

He Starts Court Action After Reform Effort Shuts His Bank

By Michael Richardson
International Herald Tribune

SINGAPORE — A son of President Suharto of Indonesia joined with two powerful business partners in starting court proceedings Wednesday to sue the Indonesian central bank and finance minister for closing a bank they own.

Investors and financial analysts said the challenge, if successful, could destroy confidence in an economic reform effort announced Friday by the Indonesian government and the International Monetary Fund.

A key part of the reform package — to be *undertaken in exchange for international loans of* as much as $40 billion to restore investor confidence and strengthen the battered Indonesian currency, the rupiah — was a cleanup of the banking system.

Indonesia, according to critics, suffers from having too many banks — there are more than 220, nearly all privately owned — as well as lax regulation, mismanagement and a heavy overhang of bad loans, often to companies associated with the owners or their friends.

In a move welcomed by foreign investors as a sign that reform efforts would be applied even if they hurt politically well-connected interests, Finance Minister Mar'ie Muhammad and Sudradjad Djiwandono, the governor of Bank Indonesia, the central bank, on Saturday announced the immediate liquidation of 16 banks.

They said the banks were "insolvent to the point of endangering business continuity, disturbing the overall banking system and harming the interests of society."

Three of the banks named were partly owned by Suharto family members. The move prompted an angry outburst Tuesday from the president's second son, Bambang Trihatmodjo, who accused Mr. Mar'ie of trying to discredit the first family and prevent Mr. Suharto from winning a seventh five-

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Iraq Hiding Evidence During Talks, UN Told

Baghdad Uses Pause in Inspections To Disable Surveillance Equipment

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Iraq is using the suspension in weapons *inspections caused by President Sad*dam Hussein's ban on U.S. participation to hide evidence and disable surveil*lance equipment, the head of the UN* disarmament commission on Iraq told the Security Council on Wednesday.

Richard Butler, executive chairman of the Special Commission, set up by the council in 1991 to destroy prohibited Iraqi weapons, made the statement as negotiators in Baghdad were trying to defuse the dispute.

Mr. Butler told the council that Iraq was moving equipment and evidence at suspect sites out of the range of surveillance cameras or covering the lenses of the cameras to disrupt the remote real-time video that inspectors use when they cannot visit installations themselves.

In a letter to the Security Council, Mr. Butler expressed alarm that no monitoring has taken place for the last week. "An obvious consequence is that the *commission is unable to verify that* dual-capable facilities and equipment in Iraq have not been engaged in the production of weapons of mass destruction" or their components, he wrote.

His comments underlined the concerns of some UN officials and diplomats that time spent this week on *diplomatic overtures to Iraq was being* squandered when Mr. Saddam should be feeling intense pressure from the *United Nations and important govern*ments.

A week ago, in violation of a Security *Council resolution, Iraq said all Amer*icans on the disarmament team had to leave by Wednesday. That deadline was extended until early next week but no on-site inspections are taking place because Mr. Butler has refused to drop Americans from his team.

Suddam's durability is tugging at the Gulf War alliance. Page 6.

"There is a reason this inspection regime was set up," President Bill Clinton said Wednesday. "We think it's a bad idea for any more dictators who have shown aggression to their neighbors to develop the capacity to have nuclear, chemical or biological weapons."

The president warned the Iraqis not to *misinterpret the reasons for a pause in* the flights of U-2 surveillance planes, ordered Tuesday night by Mr. Butler, *apparently at the request of Secretary-*

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Fahim Khaleel Reuters

Deputy Prime Minister Tariq Aziz of Iraq, left, with the UN mission leader, Lakhdar Brahimi, before talks started in Baghdad on Wednesday.

EU Bank Dispute Gathering Steam

France appeared isolated Wednesday after angering many of its European partners by insisting that the head of France's central bank be appointed as head of the future European central bank.

European Union finance ministers clashed over the issue as they met in Brussels.

President Jacques Chirac and Chancellor *Helmut Kohl met for an* hour Wednesday evening in Paris before agreeing to hold further talks on the subject.

The worsening dispute shattered several months of EU harmony on the single currency. Page 13.

Truckers Snarl Paris, but Talks Resume

By Barry James
International Herald Tribune

French truck drivers took their struggle for higher pay and shorter hours onto the busiest road in Paris on Wednesday as unions and employers resumed full-scale negotiations for the first time since the truckers went on strike three days ago.

With strikers blockading most of the nation's refineries and fuel depots, supplies of gasoline were rapidly running *out in the south of the country and along* the Atlantic coast. Nationwide, about one filling station in three had run dry.

But despite severe disruption in France and much of Europe, forcing some factories to lay off workers, France was unlikely to face immediate legal action from the European Commission, the European Union's executive body, officials said in Brussels.

Neil Kinnock, the European official in charge of transport policy, told other commissioners Wednesday that France was technically meeting its commitments under the EU's founding treaty to ensure free passage for goods and people. He added that it was providing *information by telephone and Internet to* help travelers get around road blocks and had sent policemen to clear barricades near international frontiers.

The French government argues that traffic is getting through, despite huge delays. But neighboring countries found it hard to see why a domestic dispute should be allowed to have such a damaging effect beyond France's borders.

Some 8,000 trucks that would normally be delivering fresh produce to markets in northern Europe were tied up or delayed in Spain. Trucks were waiting for up to 18 hours at Belgian ports to board ferries for England. In Britain, the police sealed off part of the main Lon*don-Dover expressway to provide park*ing space for stranded truckers bound

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AGENDA

Judge Won't Rule on Au Pair This Week

CAMBRIDGE, Massachusetts (Reuters) — A state judge will not decide until Monday at the earliest whether to overrule a jury's second-degree murder verdict against the *British au pair Louise Woodward,* court officials said Wednesday.

Defense lawyers had asked Judge *Hiller Zobel of Middlesex Superior* Court to declare Miss Woodward not guilty, order a new trial or reduce the conviction to manslaughter.

A jury convicted Miss Woodward last week of murdering Matthew Eappen, her 8-month-old charge. She was given a mandatory sentence of life in prison. She would be eligible *for parole in 15 years.*

If the charge is reduced to manslaughter, Miss Woodward faces a *maximum sentence of 20 years, with* no mandatory minimum. Judge Zobel will use the Internet to publish his ruling, possibly a firest in the nation.

The Dollar		
New York	Wednesday @ 4 P.M.	previous close
DM	1.7173	1.7235
Pound	1.6813	1.6847
Yen	123.055	122.065
FF	5.7535	5.7713

The Dow		
change	Wednesday close	previous close
+3.44	7692.57	7689.13

S&P 500		
change	Wednesday @ 4 P.M.	previous close
+1.78	942.54	940.76

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The IHT on-line www.iht.com

Advantage, Republicans

They Talk of 'National Reach' for Next Year After Successful Off-Year Elections in the U.S.

By Brian Knowlton
International Herald Tribune

WASHINGTON — Republicans have won the key contests in off-year elections, with Newt Gingrich, speaker of the House, declaring Wednesday that the victories would provide the party with "national reach" in full array of elections next year.

The most resounding gain for Republicans came in Virginia, where James Gilmore 3d, the former state attorney general, easily won the governorship, leading a historic sweep of the top three state posts.

Not since the years of Reconstruction after the Civil War have Republicans won all the top posts in a state of the old Confederacy. Mr. Gilmore's victory over Lieutenant Governor Donald Beyer Jr., a Democrat, allowed Republicans to hold the governorship for the first time in two decades. Governor George Allen was prevented by law from seeking a third term.

In another closely watched contest on Tuesday, Governor Christie Whitman of New Jersey, a moderate with a nationwide reputation for efficiency, withstood a strong challenge from Jim McGreevey, a Democrat, to prevail by a margin of less than 1 percent. She had to overcome vocal opposition from some conservatives in her party, angered by her support of abortion rights.

In New York's 13th congressional district, which includes Brooklyn and Staten Island, the well-funded Republican candidate, Vito Fossella, prevailed in a closely fought battle for the House seat over his Democratic rival, Eric Vitaliano.

President Bill Clinton summed up the election results this way: "When the economy's up and crime is down, people believe the country and their states and their communities are moving in the right directions, and they tend to stay with incumbent candidates and parties."

Mr. Gingrich, however, said the results showed Republican strength even in such Democratic strongholds as New Jersey. "Something big is happening," he said. "That's what yesterday said."

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Yeltsin Dismisses a Tycoon Who Opposed Top Reformers

By David Hoffman
Washington Post Service

MOSCOW — President Boris Yeltsin on Wednesday dismissed Boris Berezovsky, a wealthy magnate who was deputy secretary of the Kremlin's security council, in the latest fallout from the struggle between Mr. Yeltsin's young reformers and a group of rich tycoons.

Mr. Berezovsky, 51, who built an automobile, media, aviation and oil empire in the last years of the Soviet Union and during the frenzied early years of free-market capitalism, held the Kremlin post for only a year. He was instrumental in carrying out negotiations with the secessionist region of Chechnya. The security council deals largely with internal security matters, not foreign policy.

Mr. Berezovsky's ouster was far more significant for what it said about *the tug-of-war over the future shape of* Russia's emerging market economy. Mr. Yeltsin's two reformist first deputy prime ministers, Anatoli Chubais and Boris Nemtsov, have vowed to break the grip of a small coterie of well-connected business magnates, often referred to as Russia's new oligarchs.

Mr. Chubais and Mr. Nemtsov have insisted that they will no longer tolerate the old rules of backroom deals and insider privatization of state firms in which the oligarchs often gained lucrative businesses for a small price. The reformers say they want to create a more competitive and liberal market economy.

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Skewering the Perpetrators of Science's Most Improbable Research

By Richard Morin
Washington Post Service

WASHINGTON — So much silly science, so little time. That's why we're lucky that Marc Abrahams has dedicated his life to searching out and skewering the best of the worst of scientific research.

For the past seven years, Mr. Abrahams has presided over the Ig Nobel Prizes, which are conferred annually at a big, boisterous awards ceremony at Harvard University. These booby prizes honor research that is so ghastly, so foolish or so funny that you could not make it up.

"I'm not sure that you'd want to," said Mr. Abrahams, who has parlayed a Harvard undergraduate degree in applied mathematics into a position as America's guru of academic grunge.

Over the years, Ig Nobels have been awarded to a team of psychologists who claimed to have taught pigeons to distinguish between the paintings of Picasso and Monet; to scientists who studied foot odor; researchers who investigated why breakfast cereal gets soggy, and a zoologist who wrote a book on how to identify the splattered bugs on car windshields.

Also honored was the British physicist who proved that buttered toast does, indeed, usually fall to the floor buttered-side down and the authors of the study "Salmonella Excretion in Joy-Riding Pigs."

Winners are selected by Mr. Abrahams, who edits a satiric journal called the Annals of Improbable Research. He is assisted by the scientists and science writers who sit on the journal's board, and by "three strangers we drag in off the street, to provide a reality check." Nominations come in from around the world; some winners have even nominated themselves.

Since the first award in 1991, the Ig Nobels have acquired cult status among the super-smart in the United States and abroad. The awards ceremony — this year's took place a few weeks ago — invariably is attended by real Nobel Prize laureates, who typically wear wacky hats or Groucho glasses and fake mustaches and perform in songs and skits.

And now Mr. Abrahams has a book just out, "The Best of the Annals of Improbable Research," which features Ig Nobel winners and highlights of past awards ceremonies.

Robert Lopez, a veterinarian in New York, is another Ig Nobel star. He won the 1994 entomology prize for collecting ear mites from cats and then inserting them into his own ears. He recounted his experiences in the Journal of the American Veterinary Society. Since then, Mr. Lopez has become a regular at the Ig Nobel ceremonies. Last year, he even brought cookies *he made from locusts.*

Speaking of food, Mr. Abrahams recalls a tense moment at the 1995 awards ceremony. John Mar-

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Newsstand Prices			
Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	126.00 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$30.00

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War Raging On / **A Bid to Win Tamil Loyalty**

Sri Lanka Turns to 'Hearts and Minds'

By John F. Burns
New York Times Service

JAFFNA, Sri Lanka — When Major General Lionel Balagalle of the Sri Lankan Army greeted visitors to his headquarters recently, he cut an unusual figure for a military commander faced by one of the world's most feared guerrilla groups.

Hastening through the usual fare of a military briefing, he came to what he described as his greatest concern, the human-rights record of his troops.

General Balagalle, 52, has a reputation as a "hearts and minds" officer, and his appointment a year ago to the crucial command in Jaffna Peninsula was described at the time as a major step in the government's central strategy for ending a 14-year rebellion by the Tamil Tiger guerrillas. That strategy was to re-engage the Tamils' loyalties alienated in the decades when the ethnic Sinhalese majority routinely discriminated against them.

At his heavily sandbagged headquarters, the general said his main concern, two years after Jaffna Peninsula was brought back under government control, was to guard against further abuses by government troops — "disappearances," killings and rapes, among other wrongs — that he said had marred the government's record earlier in the war.

While the steps he has taken to discipline his troops have encountered stiff resistance in some units, General Balagalle said the policy was the only way government forces could hope to prevail. "I'm absolutely sure of it," he said. "Human rights are good for business."

His efforts are in line with the core strategy of President Chandrika Bandaranaike Kumaratunga, a Sinhalese who wants this island nation of 18 million people off India's southeast coast to unite behind a peace plan she has put forward as an alternative to the separate state sought by the Tamil Tiger guerrillas. The key is a new constitution intended to re-engage the loyalties of the three million ethnic Tamils.

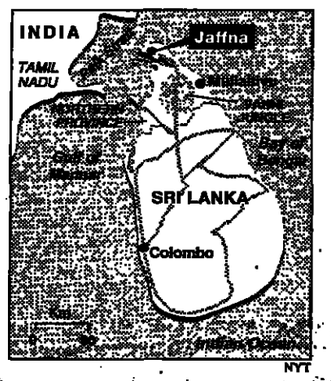
The president, 52, daughter of a family dynasty that has ruled Sri Lanka on and off since the 1950s, won a landslide election triumph in 1994 on a pledge to negotiate peace with the Tigers, but turned to all-out war after the Tigers broke a 100-day cease-fire in April 1995 with an attack that sank two government navy vessels in the harbor at Trincomalee.

Today, the government is in what should be an enviable position: It has re-taken Jaffna Peninsula, after years in which the Tigers had run the region as a de facto state, and has established enough confidence among Tamils who fled the region during the battles of 1995 that hundreds of thousands have begun to return home.

The government has begun to attract growing Western support in the war, mainly because of the Tigers' own abuses, including summary executions of those they call "traitors" to the Tamil cause, assassinations of Sinhalese political and military leaders and bombings like the one in mid-October that wrecked wide sections of Colombo's business district.

John Burns/The New York Times

Tamils fetching water from a roadside tap in Jaffna. Many civilians have returned to the area, where utilities were wrecked in fighting.



Yet, the war drags on, with a cruelty and ferocity that seem to defy solution. It has worsened so much in the last 18 months that even top government officials admit privately that they feel trapped in events beyond their control.

"There is an air of Greek tragedy about it all, a sense of 'Is there nothing we can do?'" a high-ranking minister said. "This cycle of death and destruction, all these funerals, they have tortured the hearts of our people."

After years of assassinations, bombings and jungle battles that have killed at least 50,000 people, most Sri Lankans have despaired of ever again seeing the kind of island that formed the country's image when it was still called Ceylon — a land of Elysian appeal, at least in the memories of many now living through the war.

The gloom has deepened with daily reports from the war front half a day's drive north of Colombo, the capital. There, in the Vanni jungle, government troops and Tamil guerrillas are now locked in the longest and most costly battle of the war.

For six months, government units pushing into the heart of Tiger-controlled territory have faced counterattacks by Tiger battalions of women and teenage girls, as well as Tamil boys as young as 10.

Government soldiers returning from the front have described how the Tigers, attacking in the dark, have pulled back under fire, leaving wounded boys and girls lying in no-man's-land, crying for help.

Although the Tigers send their fighters into battle with cyanide capsules strung around their necks, many of the youngsters did not swallow the poison, as instructed by Tiger leaders, when shot.

"One moment, they are Tigers, fighting bravely," said a government officer on a week's furlough from the front. "The next, they are children again, calling for their mothers in the night."

At least 2,500 fighters on both sides have died in the Vanni offensive, with perhaps three times that many wounded. This exceeds even the toll when the Tigers attacked a coastal government military base at Mullaitivu a year ago and killed at least 1,400 government troops — every man on the base. After that, desertions from the Sri Lankan forces became endemic.

In recent months though, the Tigers have had trouble withstanding the onslaught of government forces in the Vanni jungle, where the Tigers set up their headquarters after losing Jaffna Peninsula, their previous stronghold.

But even as government officials began to celebrate their advances in the Vanni, referring to the Tigers as a "spent force," the Tigers struck back in devastating fashion in Colombo, as they have before when facing battlefront reverses.

ON OCT. 15, a truck loaded with nearly half a ton of high explosive detonated in the central business district, killing 18 bystanders and partly wrecking three five-star hotels, three office towers and the old Parliament building.

One reason for pushing the new charter is that senior officials have concluded that overcoming the Tigers any other way may be impossible. "The prospects of finishing the war on the battlefield are remote, and we know it," a senior official said.

The surest sign of growing normality has been that the city and the peninsula of Jaffna are rapidly being re-populated by inhabitants who were forced to flee with the Tigers as government forces advanced.

Now, according to official Sri Lankan figures, the peninsula's population, 738,000 in the last census in 1981, is back up to 465,000.

Among many Tamils on Jaffna's streets, none seemed eager for a return by the Tigers, who are remembered mainly for the fear they engendered, especially the terror among parents that their children would be forced into battle.

There was little enthusiasm for the government forces either, with widespread bitterness over more than 300 "disappearances" of alleged Tiger sympathizers after the government recaptured Jaffna.

Stereotypes Challenged In U.S. Citizenship Case

Woman With GI Father Appeals Rejection

By Joan Biskupic
Washington Post Service

WASHINGTON — In a case challenging sexual stereotypes, the Supreme Court has heard oral arguments on a national policy that favors mothers over fathers in determining whether children born out of wedlock overseas can become U.S. citizens.

Federal law says a child born in a foreign country to an unmarried American mother and a foreign father is automatically a U.S. citizen. But barriers arise for one whose father is American but whose mother is not.

Lorelyn Penero Miller, born out of wedlock 27 years ago to a Filipino mother and an American father, claimed that the distinction violated the constitutional guarantee of equal protection of the laws. Her father was stationed in the Philippines with the U.S. military.

Ms. Miller applied for citizenship in 1992, while living with her father in Texas, but was turned down because her father had not, as required, established paternity before she turned 21. Lower courts upheld the policy, relying on Supreme Court precedent giving Congress broad discretion on immigration and citizenship policy. The law now says the paternity has to be demonstrated before the child is 18.

In arguments Tuesday, Justice Ruth Bader Ginsburg suggested the law was unfairly based on a stereotype that women have closer ties to their children than do men.

The former women's rights advocate noted that the court previously had said the government cannot rely on stereotypes for treating the sexes differently. She asked a Justice Department lawyer whether the government was retreating from its opposition in earlier cases to sex discrimination.

"Why an exception here?" she asked.

Edwin Kneedler, deputy solicitor general, emphasized Congress's authority in the area of immigration and naturalization and said Congress had sufficient grounds to require specific evidence of a bond between an out-of-wedlock child and the father.

Justice Stephen Breyer joined in particular scrutiny of the law, saying it relied on generalizations of which parent would be a child's "caretaker" and calling that basis "close to irrational."

But some of the other justices appeared readier to reject the challenge.

Chief Justice William Rehnquist emphasized the court's traditional deference to Congress on citizenship matters, and Justice John Paul Stevens suggested it was reasonable for Congress to believe that a U.S. serviceman who fathers a child on a tour of duty overseas might not be ready to develop a parental relationship.

Driver and Passenger Air Bags Measured for Cost-Efficiency

By Warren Brown
Washington Post Service

WASHINGTON — Air bags are still a benefit overall, but measured by cost-efficiency, driver-side air bags are more effective than those on the passenger side, according to a study published in The Journal of the American Medical Association.

The reason is that during a crash, the driver's seat is always occupied, and by an adult, the size of person for which the bags are designed, the study said. Passenger-side bags often save no one because those seats are often empty.

When a child is sitting in the passenger seat, the device can kill or maim, according to the study, published Tuesday, by researchers at the Harvard School of Public Health.

The researchers found that driver-air bags cost society about $24,000 for every year of life saved, compared with $61,000 for every year of life saved for a passenger bag. "The passenger air bag is less cost-effective because of the dangers to children and the lower rate of occupancy in the passenger seat since many adults drive alone," said John Graham, the study's lead author.

Air bags kill one child for each 10 adults saved. More children may be at risk as vehicles equipped with passenger-side air bags are turned over to the used-car markets, the study said.

The study confirms what officials at the National Highway Traffic Safety Administration have been saying for two years: Air bags, used with lap belts and shoulder harnesses, offer the best crash protection for drivers, and passenger-side bags offer increased protection for adults, but can harm or kill children under 12.

UN Tests AIDS Care in Poor Nations

By David Brown
Washington Post Service

WASHINGTON — Can state-of-the-art AIDS care be brought to underdeveloped, and often very poor, countries in Africa, Asia and South America? The assumption has always been that it cannot. A group of international aid organizations, however, will try to prove the answer should be yes.

The Joint United Nations Program on AIDS was to announce plans Wednesday to establish pilot projects in four countries — Ivory Coast, Uganda, Chile and Vietnam — whose purpose is to show that triple antiviral therapy, protease inhibitors and drugs for AIDS-related infections are within reach of people there. The organizers of the initiative admit that the two-year project entails a lot of uncertainty and wishful thinking.

"The alternative is to do nothing," said Joseph Saba, a physician and official in the AIDS program in Geneva who will run the project. "We are eager to prove that these countries can really handle their destiny. Our main purpose is to get the treatment to these countries, and in fact to demonstrate there are workable solutions."

Advances in treatment in the last two years have dramatically cut AIDS mortality in the United States and restored thousands of infected people to relatively good health. The optimal therapies, however, cost more than $10,000 a year per patient — a price tag that is testing medical budgets here and is assumed to be utterly beyond the reach of poor nations.

The organizers of the initiative admit that the two-year project entails a lot of uncertainty and wishful thinking.

The project assumes that optimal therapy will help HIV patients in developing countries as it has in richer countries. The key questions, instead, are economic and organizational, not scientific or clinical. Can nations get good enough deals from drug companies to get a full and sustainable supply of AIDS medicines? Can clinics, laboratories and pharmacies work efficiently enough to sustain a complicated system of treatment for at least some HIV patients?

About 3,000 people will be treated in each country. That is a fraction of their infected populations. Uganda, for example, has 1.6 million infected people, Ivory Coast 600,000. The UN program will spend about $1 million over the next year to help make sure there is a medical infrastructure for optimal HIV care — doctors who are familiar with the drugs, laboratories that can perform essential monitoring tests, pharmacies that are able to get the large number of AIDS medicines in sufficient supply.

Each country will establish a nonprofit drug-importing company and a national advisory board. The latter will have representatives from the medical, public health and patient communities, and will decide what drugs will be available and what kind of patients will get them. Each of those policies is expected to differ somewhat from country to country.

The boards will also decide who will get the drugs in the two-year period. There will be few, if any, rules imposed by the UN office. In Ivory Coast and Uganda, the number of qualified clinics is small, and — in the beginning at least — the patients will probably be drawn from them.

"It is extremely difficult to select a few thousand people," Mr. Saba said. "I can tell you that the task of these people on the national advisory board is not going to be easy."

Deep discounts from drug companies will be essential. But the project is not expected to be a charity program — a point made by an official of Glaxo Wellcome, the company that makes AZT.

"We are entering this with an understanding that our economic participation might be significant, but I don't think it extends to selling at a loss as a routine," said Peter Young, a vice president in charge of HIV medicines.

Mr. Saba said the goal was to establish new ways of financing AIDS care — a combination of discounted medicines, support from overseas charitable organizations, contributions from workers and companies in countries themselves, and other mechanisms.

If optimal treatment for a small number of patients is sustainable, he said, then it will presumably grow to include more patients in the future.

The Joint United Nations Program comprises the AIDS offices of four UN agencies, the World Health Organization and the World Bank. It is the leading group concerned with AIDS policy and research in the developing world.

DEATH NOTICE

He has travelled the world and made many friends but the journey had to end. André BYASSON made his final stop on 2 Nov. 1997.

TRAVEL UPDATE

Italy Braces for Transport Strikes

ROME (AP) — A series of transport strikes will disrupt travel in Italy starting Thursday, when air traffic controllers and railway workers announced they will walk off the job.

Flights from Italy's major airports will be subject to delays and possible cancellations from 11:30 A.M. to 3:30 P.M. on Thursday. Most trains will stop running from 9 P.M. on Thursday until the same time Friday.

Local trams and buses in most Italian cities will halt service for four hours Monday morning. Meanwhile, the government is negotiating with unions to avert a truckers' strike set for Nov. 9 to Nov. 16.

A series of moderate earthquakes shook the Athens area Wednesday for the second consecutive day. Later, a stronger quake occurred off the island of Crete. *(AP)*

Twenty roads and two rail lines were closed as heavy rains swept Spain on Wednesday. Roads in Andalucia were impassable because of flooding, while rail lines linking Cordoba to Seville and Malaga were unusable. *(AP)*

WEATHER

Europe

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Algarve	17/62	11/52 c	19/66	13/55 c
Amsterdam	15/59	10/50 c	13/55	8/46 r
Ankara	12/53	-2/28 s	16/61	2/35 s
Athens	18/64	13/55 pc	21/70	15/59 s
Barcelona	21/70	10/50 sh	18/61	10/50 pc
Belgrade	15/59	12/53 c	22/73	14/57 c
Berlin	16/61	10/50 r	20/68	9/48 c
Brussels	14/57	12/53 r	12/53	8/46 sh
Budapest	14/57	13/55 r	19/66	14/57 sh
Copenhagen	11/52	11/52 r	16/61	9/48 sh
Costa Del Sol	19/64	11/52 c	19/64	13/55 c
Dublin	11/52	6/41 pc	11/52	8/46 c
Edinburgh	12/53	3/37 sh	9/48	4/39 pc
Florence	18/64	17/62 r	19/66	15/59 r
Frankfurt	16/61	15/59 r	21/70	9/48 c
Geneva	17/62	12/53 sh	14/57	4/39 sh
Helsinki	1/34	0/32 sn	7/44	2/35 sh
Istanbul	15/59	9/48 s	18/64	13/55 s
Kiev	4/39	4/39 c	12/53	11/52 sh
Las Palmas	23/73	18/64 pc	23/73	19/66 pc
Lisbon	14/57	11/52 sh	17/62	12/53 r
London	14/57	10/50 sh	12/53	9/48 c
Madrid	13/55	4/39 r	13/55	6/43 sh
Mallorca	25/77	12/53 c	19/66	9/48 c
Milan	19/61	14/57 r	14/57	9/48 r
Moscow	-3/27	-4/25 c	4/39	3/27 c
Munich	17/62	12/53 c	18/64	7/44 c
Nice	22/71	17/62 r	19/66	12/53 c
Oslo	3/37	3/37 sn	6/43	6/43 r
Paris	12/53	8/46 r	11/52	6/43 c
Prague	16/59	14/57 r	20/68	11/52 r
Reykjavik	6/43	2/35 r	4/39	-1/31 sn
Riga	8/43	5/41 i	13/55	13/55 r
Rome	23/73	19/64 sh	24/75	17/62 c
St. Petersburg	0/32	-1/31 sf	6/43	5/41 c
Stockholm	5/41	4/39 sn	10/50	8/46 sh
Strasbourg	17/62	14/57 r	15/59	6/43 c
Tallinn	2/35	2/35 sn	10/50	9/48 sh
Tirlist	9/48	-1/31 s	13/55	5/41 pc
Venice	18/61	14/57 r	17/62	13/55 r
Vienna	15/59	14/57 r	20/68	14/57 c
Warsaw	12/53	12/53 r	18/64	13/55 sh
Zurich	17/62	13/55 r	16/61	7/44 c

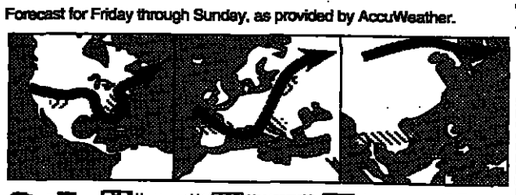
Middle East

Abu Dhabi	33/91	21/70 pc	33/91	20/68 pc
Beirut	19/64	16/68 c	21/70	16/61 pc
Cairo	29/78	12/53 pc	23/73	12/53 s
Damascus	14/57	10/50 sh	18/64	9/48 c
Jerusalem	16/61	8/46 pc	19/66	9/48 s
Luxor	29/82	9/48 s	29/84	10/50 s
Riyadh	32/89	18/64 pc	33/91	18/64 pc

Africa

Algiers	23/82	16/61 r	17/62	10/50 r
Cape Town	22/71	14/57 s	27/80	12/53 s
Casablanca	18/61	12/53 r	18/64	13/55 c
Harare	27/80	8/46 pc	29/84	9/48 s
Lagos	31/88	23/73 pc	31/88	23/73 r
Nairobi	24/75	15/59 sh	27/80	14/57 c
Tunis	29/82	19/66 c	31/88	18/64 pc

Forecast for Friday through Sunday, as provided by AccuWeather.



North America
A coastal storm will spread wind-driven rain across the mid-Atlantic states Friday and Saturday and into New England Sunday. Dry and comfortable in the Northwest, but a Pacific storm will bring wind and rain Sunday. Rain Friday in the Southeast, then dry and cool.

Europe
Cloudy and cool with occasional rain in all of Western Europe Friday and Saturday, but northern Spain will have soaking rain. Stormy across England and France Sunday. Eastern Europe and western Russia will be milder with some rain, but the Balkans will have heavy downpours.

Asia
Tropical Cyclone Linda will cause flooding rain across northeastern India this weekend. Beijing will be dry and chilly Friday, but it may rain Saturday; milder with some sun Sunday. Dry and cool across Korea and Japan, but Korea could have some rain Sunday. Sunny and dry in Shanghai.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

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Asia

	Today High	Today Low W	Tomorrow High	Tomorrow Low W
	C/F	C/F	C/F	C/F
Almaty	19/66	6/43 pc	7/44	-7/20 sn
Bali	32/89	21/70 s	32/89	20/68 s
Bangkok	31/88	21/70 pc	29/84	22/71 sh
Beijing	16/61	6/43 s	11/52	7/44 s
Bombay	32/89	21/70 s	30/86	19/66 pc
Calcutta	28/82	19/66 s	27/80	19/66 r
Chiang Mai	27/80	18/61 c	28/82	17/62 pc
Colombo	29/82	23/73 r	28/82	23/73 sh
Hanoi	24/75	17/62 pc	24/75	18/64 pc
Ho Chi Minh	32/89	23/73 r	32/89	23/73 c
Hong Kong	23/73	18/64 s	23/73	19/64 pc
Islamabad	28/82	10/50 pc	28/82	11/52 s
Jakarta	31/88	23/73 pc	31/88	23/73 pc
Karachi	35/95	17/62 s	35/95	17/62 s
K. Lumpur	31/88	23/73 r	31/88	23/73 s
K. Kinabalu	29/84	23/73 r	29/84	23/73 r
Manila	29/84	21/70 sh	29/84	20/68 pc
New Delhi	29/84	11/52 s	31/88	11/52 s
Phnom Penh	30/86	23/73 c	29/84	22/71 sh
Phuket	31/88	21/70 pc	29/84	22/71 sh
Rangoon	29/84	21/70 pc	30/86	21/70 pc
Seoul	16/61	1/34 s	14/57	2/35 s
Shanghai	20/68	10/50 s	18/64	10/50 pc
Singapore	30/86	22/71 s	30/86	23/73 pc
Taipei	23/73	17/62 pc	23/73	17/62 pc
Tokyo	16/61	8/46 s	14/57	11/52 s
Vientiane	27/80	16/61 pc	27/80	16/61 pc

North America

Anchorage	2/35	-2/28 sn	4/39	-1/31 sn
Atlanta	14/57	7/44 sh	14/57	2/35 r
Boston	11/52	5/41 pc	11/52	6/43 c
Chicago	7/44	1/34 sh	8/46	1/34 pc
Dallas	18/64	4/39 s	18/64	8/46 s
Denver	20/68	1/34 s	20/68	2/35 s
Detroit	7/44	1/34 sh	7/44	0/32 c
Honolulu	29/84	21/70 s	31/88	23/73 pc
Houston	21/70	7/44 s	18/64	8/46 s
Los Angeles	27/80	14/57 pc	27/80	11/52 pc
Miami	28/82	20/68 pc	27/80	17/62 pc
Minneapolis	6/43	-2/28 pc	7/44	-1/31 pc
Montreal	7/44	1/34 c	9/48	1/34 c
Nassau	29/84	23/73 pc	28/82	20/68 pc
New York	12/53	8/46 pc	11/52	9/48 r
Orlando	27/80	17/62 c	23/73	11/52 pc
Phoenix	31/88	14/57 s	29/84	14/57 s
San Fran.	20/68	12/53 pc	18/64	11/52 pc
Seattle	14/57	6/43 r	12/53	6/43 c
Toronto	8/46	3/37 sh	7/44	-2/28 c
Vancouver	12/53	6/43 r	13/55	4/39 c
Washington	13/55	8/46 pc	12/53	9/48 sh

Latin America

Buenos Aires	24/75	11/52 s	23/73	17/62 s
Caracas	30/86	21/70 pc	29/84	21/70 pc
Lima	23/73	16/61 pc	23/73	18/64 pc
Mexico City	21/70	7/44 pc	19/66	9/48 pc
Rio de Janeiro	26/77	21/70 sh	28/82	23/73 pc
Santiago	28/77	11/52 pc	26/79	10/50 s

Oceania

Auckland	15/59	13/55 sh	17/62	12/53 sh
Sydney	23/73	15/59 pc	25/77	18/64 pc

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JAPAN	¥	26,000	12,150	53%
MALAYSIA	RM	182	101	44%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
SINGAPORE	S$	146	83	43%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	330	53%
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THE AMERICAS

Oregon Keeps Suicide Law

Voters Reject Repeal of Doctor-Assisted Death

New York Times Service

WASHINGTON — Voters in Oregon have refused to repeal the only law in the nation that allows doctor-assisted suicide, first passed three years ago but never put into effect because of a series of legal and political challenges.

With 80 percent of precincts reporting early Wednesday, the repeal measure was rejected by 617,529 votes to 414,337, or 60 percent to 40 percent.

Backers of the failed repeal effort, among them the Roman Catholic Church and a number of anti-abortion groups, indicated that they would continue the fight by filing more court challenges to the law.

Oregon in effect reaffirmed its 1994 decision that made it the first place in North America to legalize doctor-assisted suicide. Similar proposals have been rejected in Washington and California. But unlike various proposed measures, the Oregon law does not allow doctors to give lethal injections. They are limited to prescribing a lethal dose of drugs to a patient who has been given six months or less to live by two doctors, is of sound mind and has made a written request to die.

Once a decision has been made to end a life, there is a 15-day waiting period until the prescriptions can be written.

Tuesday's vote was somewhat surprising. In 1994, the measure passed, barely, 51 percent to 49 percent. That law held up in a series of court challenges, including one that the U.S. Supreme Court refused to hear last month.

Polls before Tuesday's balloting showed that voters were angry at the Oregon Legislature for throwing a voter-approved measure back at the electorate. It was the first time in Oregon history that a measure which had been voted into law by citizens was returned for reconsideration by the Legislature.

Dennis Cook/The Associated Press

Bill Lann Lee during his testimony to the Senate Judiciary Committee.

Republicans Target Rights Nominee

By Roberto Suro
Washington Post Service

WASHINGTON — President Bill Clinton's nomination of Bill Lann Lee to the top civil-rights job in the United States is in grave danger, with Senate Republican leaders accusing Mr. Lee of holding unconstitutional views on race-based preferences and suggesting that any future nominees would face a tough new standard on affirmative action.

In a lengthy speech on the Senate floor, Orrin Hatch, Republican of Utah and chairman of the Judiciary Committee, said this week he would oppose Mr. Lee's nomination because he feared that the veteran civil-rights attorney would use the Justice Department job to fight widespread efforts around the country to dismantle affirmative-action programs.

Mr. Lee, in a view he shares with Mr. Clinton's administration, has opposed California's Proposition 209, a ballot initiative passed by voters last year that abolishes race- or sex-based affirmative action in a variety of state programs.

Administration officials denounced Mr. Hatch's stand as a new litmus test that would make it impossible for Mr. Clinton to fill key vacancies with nominees who simply agree with the president on basic civil-rights policy.

After an emergency White House meeting on the issue, Mr. Clinton said: "How can anybody in good conscience vote against him if they believe our civil-rights laws ought to be enforced? That is the question we will be pressing to every senator without regard to party."

Mr. Hatch portrayed Mr. Lee, a Californian, as a determined activist who would use his position as assistant attorney general for civil rights to support racial-preference programs "until every possible exception under the law is unequivocably foreclosed by the Supreme Court."

Mr. Hatch added, "Lee must be America's civil-rights enforcer, not the civil-rights ombudsman for the left."

Three other key Republicans — Trent Lott of Mississippi, the Senate majority leader; Don Nickles of Oklahoma, the Senate majority whip, and Senator Mike DeWine of Ohio, a crucial vote on the Judiciary Committee — immediately made it clear that they would back Mr. Hatch's position.

Some Republicans on the 18-member committee remained publicly uncommitted, but Democratic and Republican Senate staff members said it seemed unlikely that Mr. Lee would get the two Republican votes he would need, in addition to the committee's eight Democrats, to survive a scheduled vote Thursday.

Mr. Lee, a lawyer from Los Angeles who would be the first person other than a white or African-American to hold the government's top civil-rights post, is a Chinese-American who is the son of immigrants. He has been director of a regional office of the NAACP Legal Defense & Educational Fund Inc., a group that has mainly represented blacks in discrimination suits.

POLITICAL NOTES

House Bars School Vouchers

WASHINGTON — The House has rejected a proposal that would have given needy students tuition vouchers to attend private schools, handing a surprising defeat to an initiative that has been atop the education agenda of many Republican leaders.

Leaping into one of the most contentious debates in education, lawmakers decided against adopting the voucher program, 228 to 191, after hours of debate on how to improve public schools, especially those in the poorest U.S. communities.

Democrats in the House denounced the measure as a severe attack on public education and managed to persuade about two dozen Republicans to oppose it, despite the pleas of Newt Gingrich, the House speaker, and Richard Armey, the majority leader, both of whom strongly supported the idea.

Representative William Clay, a Missouri Democrat who led the opposition to the bill, warned that its passage would have sent a "clear and chilling signal that Republicans have declared war on public education."

The vote was the latest among recent clashes between President Bill Clinton and many Republican leaders in Congress over education. *(WP)*

Amtrak Accord Is Derailed

WASHINGTON — The Senate majority leader, Trent Lott, has called the tentative workers' agreement on Amtrak "a total nonstarter."

Various parties appeared to be maneuvering to avoid being seen as having dealt a fatal blow to the railroad, which is faltering financially.

Mr. Lott, Republican of Mississippi, said Tuesday that even though he still had not seen the text of the agreement, "If it's based on things they expect Congress to do, in terms of providing money for operating subsidies or for pay raises, that is a total nonstarter."

The agreement, reached Sunday, is contingent on congressional approval of hundreds of millions of dollars in aid for Amtrak and passage of an authorization bill to release almost $2.3 billion set aside for the railroad. *(NYT)*

Quote / Unquote

Representative Benjamin Gilman, Republican of New York and chairman of the House International Relations Committee, as the House prepared to take up legislation to punish China for human rights abuses: "The Chinese are watching our actions closely. The administration has been soft-pedaling issues that we in Congress and the American people feel strongly about, including human rights and trade." *(AP)*

Away From Politics

• **A 43-year-old man convicted of raping** and beating to death his 9-year-old cousin became the 33d Texas inmate executed this year. *(AP)*

• **Smokers switching to low-tar,** filtered cigarettes increase their chances of getting a type of cancer that strikes deep in the lungs, according to a study in the Journal of the National Cancer Institute. *(AP)*

• **Three stowaways who boarded a cargo ship** in the Dominican Republic were found dead inside a clothing-filled shipping container. Seven others survived the trip to Riviera Beach, Florida, and were hospitalized. *(AP)*

• **A white separatist will serve life in prison** without parole for a series of pipe bombings and bank robberies. Robert Berry of the Phineas Priests called the federal court in Spokane, Washington, a "temple of Satan" before Judge Frem Nielsen gave him two life sentences plus more than 130 years. *(AP)*

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AMERICAN TOPICS

The Plummeting Bee Population: Honey of a Problem for Farmers

The U.S. honeybee population, vital for the reproduction of a wide range of plants, has been ravaged in recent years. Beekeepers have lost about half their hives since 1994 to a combination of pesticides, parasitic mites and harsh winter weather.

Although grains, cereals and some other plants are pollinated by the wind, most plants rely on insects or animals, including hummingbirds and geckos, for pollination, Popular Mechanics reports. More than 100 food crops, from cashews to cranberries to squash, depend heavily on wild pollinators, whose value to agriculture has been put at $4 billion a year.

Honeybees, imported from Europe in the 1620s, have proved invaluable to farmers. Beekeepers can manage huge colonies that they truck from farm to farm. Pollinating the California almond crop alone requires 500,000 hives of tiny migrant workers.

But two vicious mites have spread through the bee population. Largely as a result, pollination fees have doubled in 10 years, sending honey prices up. Pennsylvania apple growers say they can't get enough bees, and their yields have plunged 40 percent.

Smoke has proved effective in killing some mites, and researchers are trying to breed mite-resistant bees. But other problems persist. Farmers and developers continue to destroy the habitats of migratory pollinators, like the monarch butterfly. And as the author Rachel Carson warned, pesticides have taken a heavy toll.

"It's safe to say we're in trouble," said Paul Alan Cox, a Brigham Young University botanist. "What we don't know is how big the trouble is."

Short Takes

Bartering has become a billion-dollar business. More than 80,000 businesses take part in barter organizations, like the Art of Barter in Chicago and the Illinois Trade Association. Here is how today's version of the age-old system works: Businessman X and Company A both belong to a barter company; X sells computers to A, and his account with the barter company is credited while A's is debited.

If X then needs brochures printed, he contacts a printer in the barter system and uses the credit from the earlier transaction to pay for the printing; X's account is debited and the printing company's is credited.

This seems to work particularly well for companies with excess capacity or extra time. Such barter gets the blessing of the Internal Revenue Service, so long as records are kept and trades can be calculated into dollars for tax purposes.

Having trouble finding a scholarship for that high school senior? Look harder. An estimated $28 billion in so-called nonstandard scholarships is available. That includes a $500 scholarship from the New England Chapter of the National Association to Advance Fat Acceptance, for overweight seniors; the Frederick & Mary F. Beckley Scholarship for Needy Left-Handed Upperclassmen, worth up to $1,000, and the Twins Scholarship, good for $4,000 a twin if both siblings go to Valparaiso University in Indiana. If you checked "none of the above," try one of these Web sites: www.fastweb.com, www.finaid.org or www.ed.gov.

Brian Knowlton

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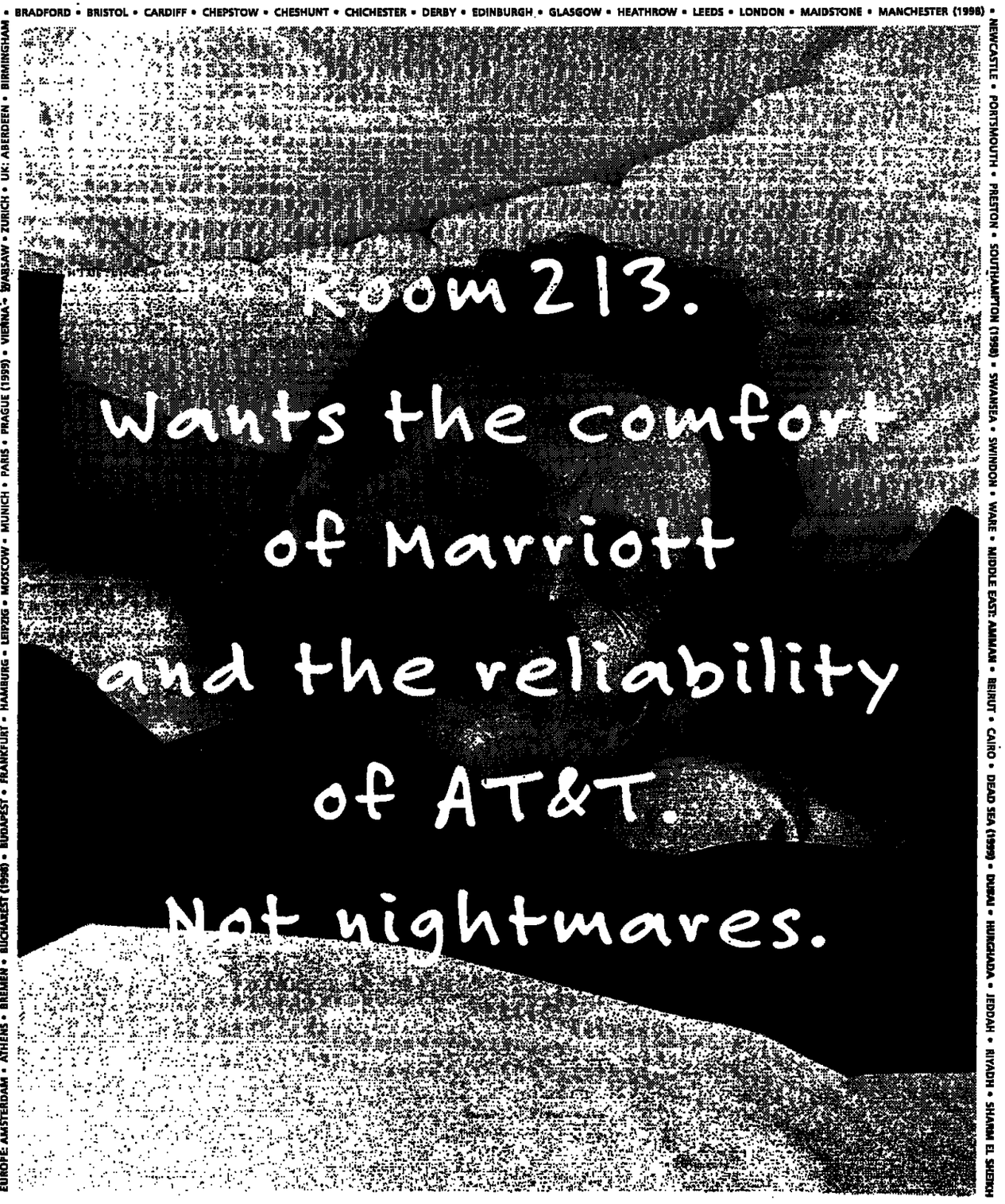

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ASIA/PACIFIC

Financial Crisis Leaves Asian Leaders Shaky

By Michael Richardson
International Herald Tribune

SINGAPORE — The forced resignation of Thailand's prime minister is a warning to other leaders in the region that they need a strong base of political support and a credible policy to weather an economic downturn, especially since the International Monetary Fund and investors are insisting on painful reforms, officials and analysts say.

Prime Minister Chaovalit Yongchaiyut— who has said that he will step down officially at midnight Thursday, although he could serve in a caretaker capacity until a new head of government is chosen — is the first top-level political casualty of Southeast Asia's financial turmoil.

But much slower growth combined with the unpopular measures required to bring about recovery will probably pose difficult challenges to all of the region's governments, liberal or authoritarian.

Some of these governments, especially in Thailand and Indonesia, will increasingly find themselves caught between the demands of reformers for cuts in government spending, tax increases and other austerity measures, and the demands of discontented workers and the poor, the analysts said.

NEWS ANALYSIS

"Prime Minister Chaovalit's political difficulties are a reminder that Southeast Asia's currency and economic problems will have political as well as economic consequences," said Douglas Paal, a former White House specialist on Asia who heads the Asia Pacific Policy Center in Washington. "Though each country's politics are different, the coming year could be a tumultuous one for Southeast Asian political leaders facing slowing economies and pressures for painful reforms."

Those pressures will probably be most acute in Thailand, Indonesia and the Philippines, which have had to turn to the IMF and impose tough reforms as the price for large international loans.

"The medicine has been paid for but it has to be taken, which means there will be further pain ahead," Kim Teo, managing director of Nicholas-Applegate Capital Management Asia Ltd., said in an interview with Reuters.

Many analysts said they expected Thailand's economy to barely grow at all in 1997 and to go into recession in 1998, greatly increasing the number of unemployed there.

Mr. Teo said that because of restructuring, the Indonesian economy was likely to slow sharply to zero to 2 percent growth this year, instead of the 5 to 6 percent growth targeted by the government.

"The financial turmoil and a prolonged drought create a potentially explosive social mixture in Indonesia," Mr. Paal said. "The drought and the massive fires which have blanketed Southeast Asia with smog have led to a decline in rice production, pockets of famine, rising food prices, increased rural-urban migration and growing unemployment. These hit the urban poor hardest."

He said that the economic problems in Indonesia would heighten public criticism of President Suharto in the run-up to presidential elections in March, providing "fertile ground for social unrest."

Yet the pressure for real reform will remain intense on Indonesia and other Southeast Asian countries.

The major role of private capital — whether through loans or investments — in Southeast Asian markets ensures that every move made by regional governments is more closely scrutinized than ever.

"The economies of Southeast Asia are now closely integrated into the world's financial markets and subject to their harsh discipline," Senior Minister Lee Kuan Yew of Singapore said not long before Mr. Chaovalit announced Monday that he would resign. "To win back investors' confidence, governments will have to reform. Those governments that have the political strength to do the unpleasant quickly and thoroughly will reap the best rewards."

Mr. Lee said that in today's global markets, which are linked by instant communications, policy mistakes could be very costly.

"In nearly every economic crisis, the root cause is political, not economic," he said.

BRIEFLY

Typhoon Fans Smog In Southeast Asia

JAKARTA — Winds from the typhoon designated Linda have fanned flames from Indonesian peat fires and swept smog back to neighboring Southeast Asian countries, meteorologists said Wednesday.

The typhoon, which swept through the Gulf of Thailand over the weekend, also caused the deaths of more than 150 people in Vietnam, Cambodia and Thailand as well as inflicting extensive damage.

"Typhoon Linda has caused a shift in the winds to Southeast Asia," an official of Indonesia's Aeronautics and Space Office said.

"We have recorded surface wind patterns running from north to south, which fan areas affected by the fires," he said. "Many cities are covered by the smog today."

Environmentalists and forestry experts said peat fires in Kalimantan on Indonesia's side of Borneo Island and in Sumatra were major causes of the health-threatening smog, which has affected the region for months. Experts said some coal seams were also on fire. *(Reuters)*

Australian Program Criticized as Racist

SYDNEY — Churches denounced Australia's plan to erode Aboriginal land rights as racist on Wednesday and warned of destructive racial conflicts.

"We are poised on the cliff edge of some of the most divisive, destructive racial conflicts that we've ever seen in this nation," the Reverend Tim Costello, of the Baptist Union of Victoria, said on Australian Broadcasting Corp. radio.

Mr. Costello, the brother of Peter Costello, Australia's treasurer, said Prime Minister John Howard was aligning himself with Australia's extreme right in the land rights debate and that his position was close to "white supremacy."

"For the prime minister to say he's in the middle is to be blind to the fact that he's actually much closer to a white, almost supremacist, position," Mr. Costello said. *(Reuters)*

Taleban Launches A Long-Hair Purge

KABUL — The Taleban religious police have launched a hair-trimming drive, using long knives to shear the heads of dozens of men in the Afghan capital. The Taleban Islamic rulers say shaggy hair goes against the teachings of Islam.

Standing amid a pile of hair at a checkpost in western Kabul, a religious police official said Tuesday that his unit had sheared the heads of more than 60 men.

"During prayers their hair could fall over their faces, and this is not Islamic," said Abdul Rahim Barkhwasey. Members of his unit pulled men off buses and bicycles and forced them to submit to full or partial haircuts.

The Taleban has banned women from the workplace, shut girls' schools and forced men to grow beards and pray at mosques. *(AP)*

For the Record

Indian and Pakistani officials will meet in December to discuss normalizing ties between the two countries, the United News of India reported Wednesday from New Delhi. The agency quoted India's junior external affairs minister, Kamala Sinha, as saying that foreign secretary level talks will be held again next month. *(Reuters)*

Gunmen attacked a van in Pakistan's volatile port city of Karachi on Wednesday, killing four persons and wounding nine, ambulance officials said. They said the unidentified gunmen opened fire at the van in the eastern Khokhrapar area and fled. More than 375 people have been killed in sectarian and political violence in Karachi this year, compared with about 500 in 1996 and 2,000 in 1995. *(Reuters)*

Thai Turmoil Causes King To 'Fall Ill'

By Thomas Crampton
International Herald Tribune

BANGKOK — With Thailand mired in political uncertainty, King Bhumibol Adulyadej's physician said Thursday that the monarch had fallen ill due to his concerns about the situation.

"His majesty the king has fallen ill due to his concern over the current political situation," said Pradit Charoenthaitawee, a coronary specialist, during a radio panel discussion.

"I beg politicians to stop their infighting and work for the king and country's benefit," he said.

Dr. Pradit's comments came as Thailand's political leaders fought over a replacement for Prime Minister Chaovalit Yongchaiyut, who has announced his resignation.

While political confusion is not new to Thailand, the level of interest outside the country is much higher now. Flooded with foreign investment, the economy grew enormously in recent years despite the political infighting.

The devaluation of the baht in July burst the Thai bubble, however, shaking the region and weighing on currencies and stock markets across Asia.

As Thailand's politicians struggled to come to terms with the crisis, investment bankers and journalists were acting like Kremlinologists, earnestly interpreting offhand comments and trying to speculate about the real motives for various actions.

"Chuan to Head New Three-Party Coalition," said a headline in the Bangkok Post on Wednesday morning, announcing that Chuan Leekpai, the opposition leader, had emerged victorious from overnight wrangling.

The Nation newspaper contradicted that version of events with an article under the banner headline: "Chatichai Lobbies for Top Job." Chatichai Choonhavan, leader of the second-largest party in the government, was tipped to take over as prime minister, according to rumors early in the day, but by evening most bets were back on Mr. Chuan.

According to other theories, an elder statesman would take over or Mr. Chaovalit would break his word and not resign.

The rumor mills also conjured up improbable pacts and alliances as politicians shuttled between party headquarters, trailed closely by reporters and television crews.

Part of the difficulty in following Thai politics is that parties exist as flags of convenience for fiercely independent factions. Allegiance is based on bids for power or payment, not ideology, so political parties frequently break up. The Solidarity Party, for instance, with eight seats in Parliament, broke into three separate factions just before the last election.

Word from his doctor that the king was ill caused stocks and the currency to dip immediately, although they recovered later in the day.

The king has been a pillar of stability for the nation, supporting it through a dozen coups, multiple constitutions and 22 prime ministers since his coronation in 1946.

The seriousness of his condition was unclear, but it was certain to focus national anger on any politician seen as prolonging negotiations. The king underwent heart surgery a few years ago.

He has played a key role in previous political crises, most visibly in 1973 and 1992, when he forced out military regimes.

Even without troops on the streets, the transition of power in Thailand has rarely been straightforward. After losing the election that was held last November, Mr. Chaovalit's predecessor refused to leave office until President Bill Clinton arrived for a 27-hour visit to Thailand.

Mr. Chaovalit was finally sworn in while Mr. Clinton toured Bangkok, allowing the U.S. president to greet one prime minister and bid a different one farewell.

Patrick de Noirmont/Reuters

Chuan Leekpai, an opposition leader, outside Parliament on Wednesday.

China Allows Dissident to Leave for U.S.

Reuters

SHANGHAI — A Chinese dissident who was released from a labor camp five months ago left for the United States on Wednesday, saying he was taking advantage of a warming in China-U.S. relations to avoid another prison term.

The activist, Bao Ge, said in a statement one day after the return of President Jiang Zemin from the United States that the Chinese leader's visit had created a brief climate of tolerance, allowing him to leave.

Airline officials said Mr. Bao had booked two seats on Air China International's Flight 981 to New York via Anchorage, Alaska. They said the second seat had been booked in the name of his sister, Bao Ying.

"With no guarantees for my livelihood and facing the stern prospect of a return to jail, I have decided to take advantage of the brief period of political tolerance following the visit of President Jiang Zemin to the United States," he said in a statement faxed to Reuters by a friend.

Mr. Bao, 33, is one of a handful of active members of China's dissident movement, which has largely been silenced through jailings or exile.

The dissident described his own departure as temporary and said he had mixed feelings about leaving. He called on activists still in China to push for legal guarantees of press freedoms and the right to set up political parties.

Mr. Bao was released from the Shanghai No. 1 Labor Camp on June 4, the eighth anniversary of China's violent crackdown on pro-democracy demonstrators in Beijing.

Mr. Bao has called on China's Communist leaders to embrace political reforms and to apologize for the crackdown.

WON: *Trouble Looms for South Korea*

Continued from Page 1

Seoul's $110 billion in foreign debt gets more expensive to repay each time the won weakens. As much as $80 billion of that debt matures within a year and banks are already saddled with billions of dollars in bad loans.

Commercial banks, meantime, are already gasping for capital to finance foreign-currency assets such as loans to South Korean companies.

Bank executives say they are getting a cold shoulder from many of their foreign counterparts who, the South Koreans say, are unwilling to lend.

Making matters worse, rating companies have cut the credit ratings of many South Korean banks, forcing these institutions to pay more when they can borrow.

"We're having to go for short-term funding these days as foreign banks reduce credit lines to us," said Lee On Kyu, deputy manager of the money markets department at SeoulBank, one of South Korea's big seven commercial banks. "But a quarter of our lending portfolio is longer than three years."

This kind of mismatch is one reason that seven of South Korea's top 40 conglomerates, the Kia and Hanbo groups among them, went bankrupt this year.

Banks and finance companies could not afford to keep lending money they could not hope would be repaid.

"The situation is similar at all Korean banks," said B.H. Lee, head of short-term money market operations at Hanil Bank, another of South Korea's big seven.

The country might be forced to let its weakest banks fail if it turns to the IMF or others for help.

Indonesia this week closed 16 small banks to help bolster its financial system, in exchange for $23 billion in aid arranged by the IMF.

Three months ago, Thailand pledged to cull its finance industry in return for an IMF-led bailout.

Lower ratings are already hurting South Korean banks. Last week, Moody's Investors Service cut ratings for four banks, including SeoulBank, to just one notch above junk-bond status.

SeoulBank has now doubled its reliance on overnight borrowing to about $200 million — or 5 percent of all funding. To secure these loans, it pays 120 basis points more than the London interbank offered rate — more than six times what it cost a year ago.

Hanil Bank, meantime, borrows about $300 million overnight, little changed from a year ago, Mr. Lee said.

It pays Libor plus 70 basis points for the funds. About $2 billion of its $6.8 billion total foreign debt matures within a year, most of it in less than six months.

SeoulBank's Mr. Lee said that 75 percent of the bank's foreign-currency borrowing carries a maturity of between three months and six months. It is just able to satisfy a government target that half of a bank's long-term investment should be funded by long-term borrowings.

"By borrowing short to fund their long-term loans, their assets and liabilities are massively mismatched," said Troy Bowler, a regional fixed income analyst at Deutsche Morgan Grenfell Securities Ltd. in Singapore. "You get a vicious circle of rising interest rates and shorter lending terms."

The problem could deteriorate since such foreign banks as Citibank NA and Chase Manhattan Corp. have not shut off credit lines altogether, in part because they want to maintain long-standing relationships with South Korea.

Seoul's central bank said its foreign-exchange reserves rose a fraction last month to $30.5 billion, in part because the bank recalled about $5 billion it had deposited at commercial banks.

Yet those numbers do not include dollars borrowed to buy the won in forward markets to bolster its value.

Thailand committed as much as two thirds of its reserves this way — one reason the government called in the IMF in July.

The central bank and the Ministry of Finance said last week that forward commitments were "much smaller" than market projections and that they would continue to defend the currency, whatever the cost.

Mr. Supple estimates that actual reserves could be as low as $15 billion, enough to pay for five weeks of imports and only a fifth of the country's estimated short-term debt exposure.

INDONESIA: *Suharto Son Sues Minister*

Continued from Page 1

year term in elections in March.

"As I see it, this is aimed at discrediting the family name so that the family can be toppled, and indirectly the president, so that the president won't be re-elected again," he said.

A lawyer for Mr. Bambang said the suit lodged Wednesday asked a Jakarta court to overturn the order liquidating PT Bank Andromeda.

Mr. Bambang — whose Bimantara group is one Indonesia's largest conglomerates, with interests ranging from petrochemicals and telecommunications to newspapers and television, many of which require special government licenses — has a 25 percent stake in the unlisted bank.

Two partners, Prajogo Pangestu, a timber tycoon, and Henry Pribadi, a businessman, own the remaining shares.

Their lawyer, Otto Cornelius Kaligis, said Wednesday that the liquidation was carried out without any legal basis or consultation, when the owners were willing to inject another 350 billion rupiah ($105 million) into the bank, Reuters reported from Jakarta.

He said that the court was expected to set a hearing date within a week for the Bank Andromeda case.

"If Mr. Bambang and his partners win their case, there would be a serious unraveling of the conditions the IMF attached to its loans," said William Keeling, head of research for Dresdner Kleinwort Benson securities in Jakarta, a unit of Germany's Dresdner bank group. "It the government can't close down banks that are badly managed and probably insolvent, how can it clean up the financial sector?"

Probosutedjo, President Suharto's half-brother and another leading Indonesian businessman, has also protested the closure of his private bank, PT Bank Jakarta, calling the decision to shut it "an outrageous insult."

Mr. Probosutedjo has kept the bank open, defying government orders, without official rebuke or sanctions so far.

The escalating conflict between members of Mr. Suharto's family and reformist government officials helped drive the rupiah lower Wednesday. The rupiah fell 2.5 percent to end at 3,337.5 to the dollar.

Political problems have weakened the measures promised under the IMF's earlier $17.2 billion loans-for-reforms package in Thailand.

Investors are concerned that this pattern will be repeated in Indonesia — Southeast Asia's largest economy and the world's fourth most populous nation.

Analysts said that the Bank Andromeda court case and the protests of his close relatives had turned the whole issue of reform into a critical test for Mr. Suharto in the eyes of foreign investors and local businessmen, who often run foul of the political favoritism that permeates the Indonesian business world.

Mr. Suharto now appears to be faced with the choice of either supporting his two key reformist officials for the actions they took in liquidating the banks, analysts said, or siding with his aggrieved relatives.

"If he remains silent, it risks sending the wrong signal to investors that the whole reform program is not serious after all," a Jakarta-based diplomat said.

Mr. Suharto has not commented publicly on the actions of Mr. Bambang and Mr. Probosutedjo. Mr. Bambang has said his father was probably not aware of all the details of the list when he allowed the banks to be shut down.

On a visit to Kuala Lumpur on Wednesday, Mr. Suharto said that he was confident Indonesia would overcome its economic crisis because the country had strong fundamentals and support from the international community.

"Indonesia has been badly hit by the currency crisis," said Mr. Suharto, a 76-year-old former army general. "We know and we are trying to overcome this to the best of our ability."

He added that the reform programs "have been agreed upon, and the IMF along with the World Bank have given their support and then assisted us financially."

Christianto Wibisono, director of the Indonesian Business Data Center in Jakarta, said that he did not think that the finance minister or the central bank governor would "dare to take action on the bank closures without the blessing" of Mr. Suharto.

Mr. Suharto's second daughter, Siti Hediati Prabowo, has an 8 percent stake in another liquidated bank, PT Bank Industri. She has not commented publicly so far on the bank closures.

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EUROPE

Bonn Judge Rejects Bulk of Slave-Labor Claims

By Alan Cowell
New York Times Service

BONN — In a ruling likely to dim the hopes of thousands of surviving forced laborers from the Nazi era, a court here rejected most of the claims Wednesday of a group of elderly Jewish women seeking payment for their slave-labor work at Auschwitz.

Out of a total 22 claims, Heinz Sonnenberger, the presiding judge, awarded one claim, equivalent to $8,600, to one woman, a former Polish citizen who immigrated to Israel in the late 1960s, too late to receive compensation under Germany's Federal Compensation Law.

Under that law, Germany has paid $58 billion in reparations to survivors of Nazi persecution. Judge Sonnenberger ruled that all the other claimants — now living in Israel, Canada, the United States and Germany — had already received payments under the compensation law as Holocaust survivors.

The case, which took five years to reach a conclusion, had been seen by the German authorities as a potential precedent for thousands of other survivors of the slave-labor system under which millions of people — many of them Jews — were forced to work in grueling conditions for German private companies and to sustain Hitler's war effort with products such as armaments, vehicles, synthetic rubber and fuel.

While the authorities have insisted that claims for compensation for slave labor itself — as opposed to damage caused by injury or incarceration — are invalid, Judge Sonnenberger took a contrary view, saying in his ruling that the question "is a political issue for which lawmakers could find a new ruling."

The 22 women who brought the court case against the current German government as the legal successor to the Nazi regime originally came from Hungary and Poland and had been forced to work at the Union Werke munitions plant, part of the Auschwitz complex of death camps and factories. Fees for their work were paid to the Nazi SS, which consigned them to assembling artillery fuses and detonators at the munitions plant.

They were represented in Germany by Klaus von Muenchhausen, a college lecturer who espoused their cause after meeting one of them during a vacation in Israel 12 years ago.

Mr. von Muenchhausen, who said he would appeal the new ruling, maintains that 30,000 former slave laborers have never received compensation. Since the current court proceedings opened, two of the 22 claimants, all in their 70s, have died. The claims they made were for as much as $39,000 each.

By the end of World War II, Albert Speer, Hitler's armaments minister, had turned the slave-labor system into a brutal colossus employing at least 7 million people.

Mr. Speer and some German industrialists, including the steel magnate Alfried Krupp, were sentenced at the Nuremberg war-crimes tribunal for using slave labor, and the issue has remained contentious in the postwar era, with some hugely successful companies paying out only modest reparations and others paying nothing at all.

Union Werke, the company the 22 women worked for, went bankrupt in 1994.

Both the successors to the big wartime companies and the German government insist that they have paid enough.

Only last month, Siemens AG, which had a profit of 2.5 billion Deutsche marks ($1.45 billion) in its 1996 financial year, said it would countenance no further claims.

A government statement issued Tuesday in reply to a parliamentary question restated Bonn's rejection of the women's claims.

"Due to the vast range of damages, all German governments and legislators knowingly limited compensation for Nazi injustice to compensation for offenses and their results which are set out by law," the government said.

"The existing rules do not foresee compensation for forced labor itself, but they do recognize damages for incarceration, damage to health and damage to professional life," the statement said.

"The system of reparations was designed carefully to fit together and take into account the severity of the offenses and their consequences," it said.

In recent months, international attention has focused less on the Nazis themselves than on those who did business with them, particularly Switzerland.

Germany Agonizes on Dual Nationality

By William Drozdiak
Washington Post Service

BERLIN — A dispute over whether Germany should offer dual nationality to children born here of Turkish and other immigrants has intensified a debate about German identity and has threatened to split Chancellor Helmut Kohl's governing coalition.

As the only major Western nation that bases citizenship on bloodlines, Germany is confronting renewed social and political pressure to accommodate a new generation of foreign offspring who are rebelling against discriminatory treatment that prevents them from integrating into the society where they were born and raised.

Younger politicians from Mr. Kohl's Christian Democratic Union and its junior partner, the Free Democratic Party, have joined opposition lawmakers from the Social Democratic Party and the Greens to demand changes in citizenship laws dating to a 1913 imperial decree.

But they have been blocked by Mr. Kohl and other elderly conservatives who insist that Germany must preserve its character as "a bastion of Christian civilization." The proponents of change support the idea of granting the children of foreigners dual nationality at birth with the possibility of choosing their citizenship at the age of 18.

At a recent gathering of the Christian Democratic youth wing, Mr. Kohl asserted that changing the laws to allow dual nationality would open the floodgates to millions of other immigrants who would distort the identity of the German nation. He said the number of Turks in Germany would more than double, to 4 million, stirring criticism that Mr. Kohl was fanning xenophobia.

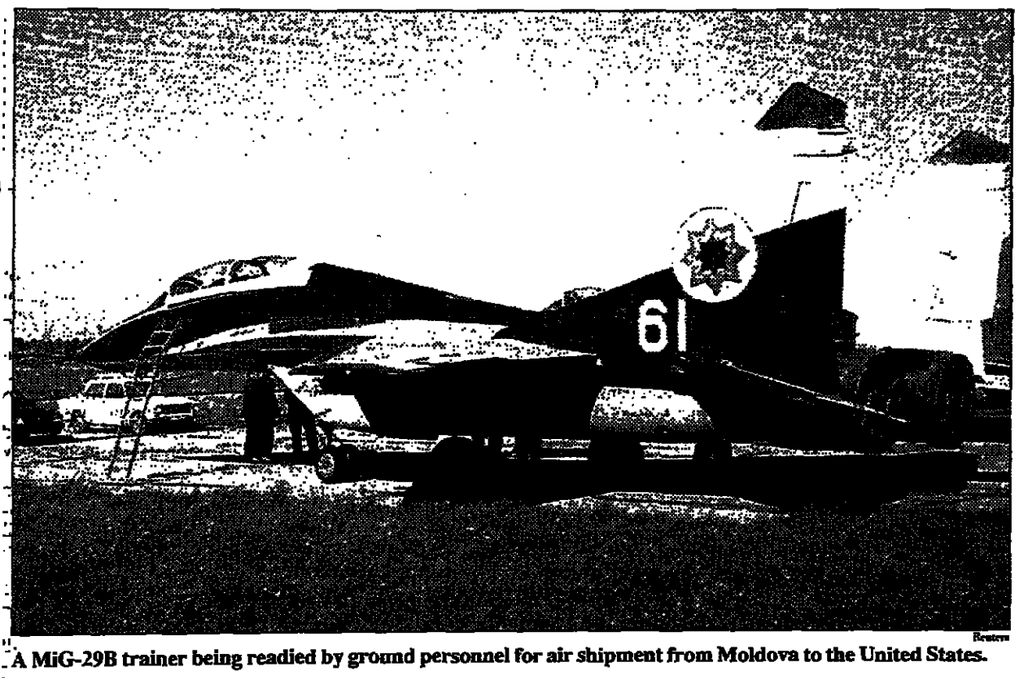
"I find it absolutely incomprehensible that the chancellor is taking such a strong stand against dual citizenship," said Hakki Keskin, president of the Turkish ethnic community. "With his comments, Kohl is reinforcing prejudices against Turks living in Germany."

Guido Westerwelle, general secretary of the Free Democrats, accused Mr. Kohl of making "misleading and factually inaccurate statements" about the impact of the proposed reforms. He noted that other European countries did not have a huge influx of foreigners when they made it easier for them to become citizens.

Germany plays host to a greater number of immigrants than any other country in Europe. More than 7 million foreigners, or 9 percent of the population, have settled here and started to transform the country — against the wishes of its political leaders — into a multicultural society. They include Russian Jews, war refugees from Bosnia-Herzegovina and more than 2 million Turks.

But Germany also enforces the most restrictive citizenship requirements among the Western democracies.

The law grants automatic citizenship to those of German parentage, but makes it extremely difficult for foreigners and their children to acquire a German passport even if they were born and raised here.



Reuters

A MiG-29B trainer being readied by ground personnel for air shipment from Moldova to the United States.

U.S. Buys 21 MiGs to Block Sale to Iran

Moldova Sells Advanced Fighters, Which Can Carry Nuclear Weapons

By Bradley Graham
Washington Post Service

WASHINGTON — The United States secretly purchased 21 advanced fighter jets from the former Soviet republic of Moldova last month in what Pentagon officials said was a move to deny the aircraft to Iran.

Many of the high-performance MiG-29 aircraft are capable of delivering nuclear weapons, the officials said. Moldova informed the United States that Iran had expressed interest in buying the aircraft and had sent inspectors to look them over.

Over the last two weeks, U.S. crews partially dismantled the jets in Moldova and flew the components in giant U.S. C-17 transport planes to an air force base near Dayton, Ohio, where they are to be reassembled.

"We're taking them out of the hands of those who otherwise might acquire them," Defense Secretary William Cohen said at a news conference Tuesday at the Pentagon.

"We will obviously study the aircraft for our own, you know, national security purposes, because this type of aircraft could very well end up in the hands of other rogue nations."

While the United States has acquired MiGs in the past, 14 of the Moldovan planes are more-modern "C" models that were not in the U.S. inventory, nor in Iran's, defense officials said. Six are "A" models and one is a "B" model trainer.

In addition to the aircraft, the sale included delivery of more than 500 Soviet-made air-to-air missiles, none nuclear. Moldova has no atomic weapons.

The deal marked the second reported time since the Soviet Union's collapse in 1991 that Washington has bought and spirited to the United States assets that once belonged to the Soviet nuclear arsenal.

Three years ago, U.S. nuclear engineers and military personnel were sent to Kazakhstan to take from a poorly guarded warehouse enough highly enriched uranium to manufacture 25 nuclear weapons.

Terms of the sale require the U.S. and Moldovan governments to keep the price confidential, but U.S. authorities could not hide their enthusiasm for the relatively low price they paid.

Several sources familiar with the details said the cash to be transferred from the United States to Moldova was less than $50 million for all the planes, although the deal includes other forms of compensation, officials said.

"We are going to be in position to assist Moldova," Mr. Cohen said, citing the likely prospect of increased humanitarian aid and the probable delivery of used U.S. military equipment from stockpiles.

Mr. Cohen commended the leaders of Moldova for their "visionary approach" and said the agreement "contributes to the enhanced climate of trust in relations between Moldova and the United States."

The Russians received notification of the deal on Monday, according to administration officials, who said that word was passed to Moscow by the Moldovans.

A hilly agricultural country, Moldova served during the Cold War as a strategic Soviet military stronghold on the edge of the Balkans. The country has managed a relatively stable transition to independence, with the exception of the hard-line communist enclave of Trans-Dniester, where Russian-speaking Slavs have pressed — with Russian Army support — for separate rule.

According to defense officials who briefed reporters on how the deal unfolded, the United States became aware of the availability of the MiGs and Iran's interest in them toward the end of last year. Iran has about 30 of the less-capable model "A" MiG-29s, many of which came from Iraq, which parked the planes in Iran to avoid U.S. bombing during the Gulf War in 1991.

U.S. negotiations with Moldova began in February, and at one point envisioned the purchase of all 27 MiGs in Moldova's possession. The agreement for the 21 was signed Oct. 10. The remaining six model "Cs" are in a neighboring country "being maintained," U.S. officials said, and Moldova plans to sell them to another buyer not considered a rogue state by the United States.

Defense officials said it was cheaper for the United States to transport all the MiGs to this country rather than destroy many of them in Moldova. The planes were carried across the Atlantic rather than flown by U.S. pilots because of uncertainty about the safety of the aircraft, officials said.

Famous Napalm Victim Named Ambassador

The Associated Press

PARIS — The image is unforgettable: a 9-year-old Vietnamese girl screaming in agony and terror as she runs naked from her village under napalm attack.

The girl is now a 34-year-old woman, and she has been named a goodwill ambassador for Unesco.

The United Nations Educational, Scientific and Cultural Organization announced the appointment Tuesday, saying Phan Thi Kim Phuc would "spread a message on the need for reconciliation, mutual understanding, dialogue and negotiation."

On June 8, 1972, her village of Trang Bang came under a fierce attack from South Vietnamese bombers.

Two of Miss Kim Phuc's younger brothers were killed; she and a third brother were badly burned. Nick Ut, The Associated Press photographer who took the picture of her and her brother screaming in horror, rushed her to a hospital, where she spent 14 months recovering from the third-degree burns that covered half her body. The photo was awarded a Pulitzer Prize.

"Kim Phuc is a living symbol throughout the world of the atrocity of war," said Unesco's director-general, Federico Mayor. "These horrors must transform themselves into a symbol of reconciliation worldwide."

Miss Kim Phuc's nomination ceremony is to take place Nov. 10 in Paris, where Unesco is based.

BRIEFLY

Italian Vote Is Set Over Bank Merger

ROME — The Italian government called Wednesday for a lower-house confidence vote on legislation covering employment regulations for the Sicilian bank Sicilcassa.

The Sicilcassa bill is tied to a complex salvage operation that involves merging the debt-ridden bank into Banco di Sicilia.

The bill, which expires Saturday, has already been approved by the Senate. The confidence motion, expected to be approved Thursday afternoon, is designed to avoid amendments and make sure the bill is voted on before the expiration. *(Reuters)*

Basques' Prosecutor Seeks 22-Year Term

MADRID — The trial of 23 leaders of a political coalition linked to the Basque Homeland and Liberty separatist group ended Wednesday with the prosecution demanding sentences of up to 22 years for charges that the accused collaborated with the group.

In the Supreme Court case, the first of its sort in Spain, the executive board of Herri Batasuna was accused of cooperating with the armed group by using one of ETA's videos during the coalition's 1996 election campaign.

Two statements issued by Herri Batasuna following two killings by ETA were also introduced as evidence. *(AP)*

Gorbachev Extends Swiss Hospital Stay

BERN — Mikhail Gorbachev has extended a stay in a Swiss hospital after doctors found an "abnormality" during a check-up, but his spokesman said Wednesday, "There is no reason to worry."

Mr. Gorbachev, 66, entered the Bern hospital Tuesday for a check-up that should have lasted a day, said Roland Wiederkehr, executive director of the Swiss branch of Green Cross International. "The doctors found something that wasn't normal," he said, declining to give details on privacy grounds. "They said another day of tests was necessary."

In Moscow, the spokesman for Mr. Gorbachev said that the former Soviet leader had long planned to have a problem with skin allergies checked in the Bern hospital. *(AFP)*

Ireland Kingmaker Quits as Labor Chief

DUBLIN — Dick Spring, the Labor Party leader who was once the confident kingmaker in Irish politics, said Wednesday that he would resign following a year of decline and defeat.

"It is time to pass on the baton," said Mr. Spring, 47, who led the third-largest party in Ireland for 15 years and served as deputy prime minister in three governments.

Mr. Spring said he would formally resign Friday but continue to represent his native Tralee in Parliament. *(AP)*

Mafia Trial Begins For Berlusconi Aide

PALERMO, Sicily — Former Prime Minister Silvio Berlusconi's closest adviser went on trial Wednesday on charges of colluding with the Mafia since the 1970s.

The aide, Marcello Dell'Utri, was the man behind Mr. Berlusconi's entry into politics in 1993, the creator of his Forza Italia party and a leading figure in his holding company Fininvest.

Mafia turncoats have accused Mr. Dell'Utri of meeting clan bosses in Sicily to negotiate an end to arson attacks in 1991 on supermarkets owned by Fininvest. The company has denied any such meeting. *(AFP)*

2 Fined in France Over Bomb-Site Photos

Reuters

PARIS — A court here has sentenced a news photographer and an emergency medical worker for secretly taking photographs at the scene of a 1995 bomb attack in Paris by suspected Islamic fundamentalists, justice sources said.

The photographer, Christian Mouchet, and Alain Petitgas were given suspended prison terms Tuesday of eight and six months and fined 80,000 and 10,000 francs ($13,900 and $1,730) respectively on charges of violating professional secrecy.

The court was told that Mr. Mouchet handed his camera to Mr. Petitgas, a friend he spotted arriving with a rescue team, and asked him to take photos on the platform of a subway station where a bomb had just exploded, wounding a dozen people. The police had barred journalists from the station.

U.S. Threatens Sanctions Over EU Ban

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union could set off a trade war if it proceeded with plans for a ban on American products containing animal material believed to transmit "mad cow" disease, a senior American official warned Wednesday.

The official, Stuart Eizenstat, undersecretary of state for economic affairs, said the EU's proposed ban on all products containing "specified-risk material," like the spinal cords, brains and eyes of animals, represented a threat to trans-Atlantic trade relations.

The ban on the materials, agreed by EU governments in July and scheduled to take effect on Jan. 1, would have a "very significant," impact on $14 billion worth of trans-Atlantic trade in pharmaceuticals, medicines and cosmetics, Mr. Eizenstat said.

Unless an exemption to the ban can be made for U.S. companies, Washington will have no option but to impose retaliatory sanctions, Mr. Eizenstat said.

"We cannot stand idly by while billions of dollars of products that are absolutely safe cannot come in" to the European Union, he said.

Washington has threatened to make a formal complaint to the World Trade Organization unless the EU changes the regulation before the ban takes effect.

"The clock is ticking away," Mr. Eizenstat said, noting that the two sides had less than two months to reach a solution.

Mr. Eizenstat said the exemption to the ban was justified on the grounds that there had never been a case of "mad cow" disease, or bovine spongiform encephalopathy, in the United States.

But Hans Beseler, the head of the European Commission's external economic relations directorate, said the waiver would not be accepted by the scientific committees that make EU policy in this field.

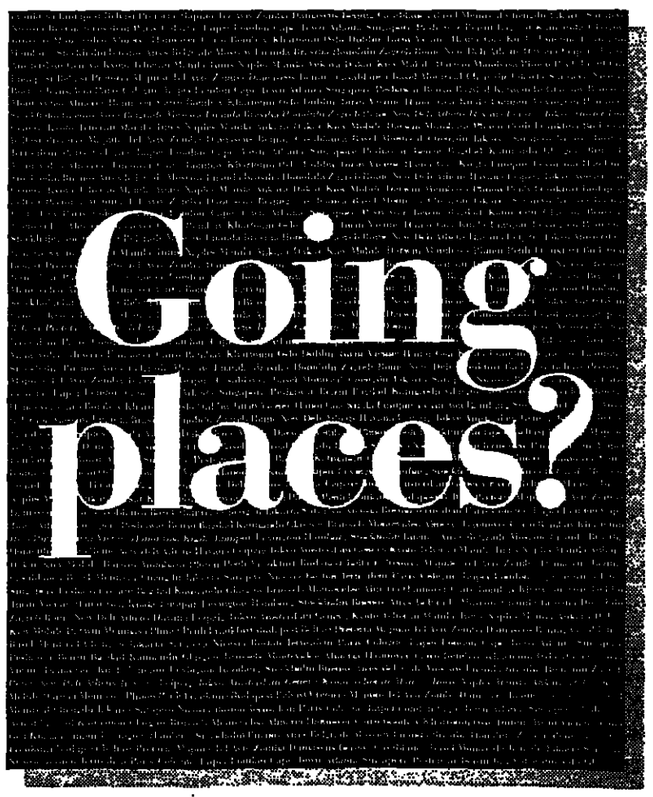
While America has not had any cases of the disease, it has had cases of related brain-wasting diseases in other animals, like sheep, Mr. Beseler said.

He also said the United States could not expect to be declared free of the disease as long as it had not outlawed the use of ground-up animal remains in feed — a practice that is believed to have led to the epidemic of "mad cow" disease in British cattle.

The EU official acknowledged that the economic stakes involved in the dispute were "enormous," and said the commission was looking at possible compromise solutions that would allow the United States to continue exporting tallow and gelatine to Europe.

Mr. Eizenstat also said the proposed ban on high-risk material would lead to shortages of certain drugs and serums in Europe because companies would not have access to the raw materials.

"This is also a health problem for Europe," he said. *(AFP, Reuters)*



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For summaries of the surveys from which these facts are taken, please call, in Europe, James McLeod on (33) 1 41 43 93 81; in Asia, Andrew Thomas on (65) 223 6478; in the Americas, Richard Lynch on (212) 752 3890.

International Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Iraq Tugs at Gulf War Alliance

Saddam's Durability Prompts Calls for a Viable Long-Term Policy

By Steven Erlanger
New York Times Service

WASHINGTON — The simple act of sending a United Nations delegation to meet with President Saddam Hussein of Iraq during the crisis over arms inspections reflects a fact that troubles American officials: The Gulf War coalition is fraying after more than six years of sanctions.

U.S. policy rejects negotiation with Mr. Saddam and demands that he stick to the rules laid down by the coalition in 1991. The members of the UN delegation therefore have promised not to negotiate with him and instead to demand "full cooperation" with the United Nations.

But senior American officials and European diplomats said they hoped nonetheless that the mission would find a face-saving gesture to allow Mr. Saddam to change his mind and defuse this crisis — a reflection of differences in tactics between the Americans and others in the coalition, who have more faith in negotiation in the longer run.

"We are prepared to go the extra mile diplomatically if that makes other countries take firm action, if necessary, later," said James Rubin, the State Department spokesman. "But it's true that it's harder and harder to sustain support as memories of the Gulf War fade. And because people know at the end of the day they can count on the United States to defend the world's interests versus Iraq, it's often easy for them to express tactical differences."

In trying crudely to separate Americans from their allies, Mr. Saddam has instead pushed the Security Council's members into an effort to work in common as they press him to comply with UN resolutions requiring his cooperation with UN disarmament monitors, no matter what their nationality. U.S. officials and their allies both emphasize that no option is ruled out, including military action against Iraq.

"If he has nothing to hide, if he's not trying to develop weapons of mass destruction, then he shouldn't care whether Americans or anyone else are on the inspection team," President Bill Clinton said Tuesday as he warned Mr. Saddam that firing on U-2 spy planes over Iraq "would be a big mistake."

But in the background of this latest crisis, Western diplomats say, is the frozen nature of American policy toward Iraq, which has changed little since the end of the Gulf War, when every official expected Mr. Saddam to fall within six months. Six years after that, America's European partners, except for Britain, are suffering what the American officials call "sanction fatigue" — France and Russia most vocally — and are calling privately for a more coherent medium-term strategy for Iraq.

While Washington is refusing to ease up on sanctions until Mr. Saddam himself is gone, America's allies are arguing that he has proved to be a survivor who could be in power for 10 more years. This, they say, makes the current policy unsustainable.

NEWS ANALYSIS

"On both Iran and Iraq, American policy is frozen and crystallized," a senior French official said. "But life is constantly moving, time passes, and circumstances change. And we are building oceans of hatred in Iraq, among ordinary people who are suffering, that will outlast Saddam."

He and other officials assert that the Security Council is united on major aspects of how to view this crisis: that Mr. Saddam is a dangerous dictator, that he must be stopped from retaining weapons of mass destruction, that he cannot be allowed to flout the United Nations or to pick and choose among inspectors, and that he misreads any slight flexibility or fissure in the Western position.

But U.S. officials acknowledged that there were tactical differences, mainly that the allies are much more reluctant to use force than Washington and much more eager to explore long-term incentives to get Mr. Saddam to behave.

Those differences explain the abstention in the Security Council on Oct. 23 of France, Russia, China, Egypt and Kenya from a threat to impose travel restrictions on Iraqi officials if they continued to impede UN weapons inspections.

They agree that Mr. Saddam misread that disagreement and overreached, driving the Security Council members to emphasize their solidarity.

But there was a price for that show of unity, officials say: France and Russia got Washington to agree to a British idea to send the three-member UN delegation to Baghdad to allow Mr. Saddam a chance to back down, even if Washington successfully argued against including a Russian diplomat as part of the team.

American officials also now acknowledge that when the mission returns to report next week, there are actions short of military responses that are likely to be taken. These include the travel sanctions and a suspension of last year's sanctions exemption, which allowed Iraq to sell some oil on the world market as long as the proceeds from the sales were used to buy food and medicine.

These options were discussed Monday at the White House by Mr. Clinton and his national security team. Officials said the whole drama could play itself out "over a number of weeks."

There is a general allied reluctance, shared in Washington, to rush to respond with force. If Mr. Saddam absorbs an attack and does not back down, officials say, there must be an agreed willingness "to go up the escalatory ladder."

Although that could produce arguments that would crack the alliance's newly refound solidarity, American officials insist, "we'll go to the Security Council and seek something and do all we can to keep as many countries on board as we can." But "being the United States," the official said, "we might have to act."

In the longer term, European officials warn that, as one said, "we need an exit strategy, a road map for Iraq, too." Ordinary Iraqis are suffering from extended sanctions, this official said, "and even if the responsibility rests with Saddam, as the Americans argue, the Iraqis and the Arab people are blaming the United States and the West."

Iraqi oil cannot and should not be kept off the world market forever, as energy prices creep up, another European official said.

Peter Morgan/Reuters

Mayor Rudolph Guiliani celebrating his re-election in New York by taking a ride on a bus on Wednesday.

VOTE: *Republicans Make Resounding Gains in Key U.S. Races*

Continued from Page 1

Incumbents of both parties prevailed in most mayoral contests, led by Mayor Rudolph Giuliani of New York, who became only the second Republican in 60 years to gain a second term in that strongly Democratic city. Strong urban economies and declining crime rates appeared to be key factors in New York, Cleveland, Detroit and other cities.

Democrats said the special congressional election in New York, held to determine a successor to Susan Molinari, who had resigned her seat for a career in television, was largely decided by an expensive ad campaign paid for by the Republican National Committee.

Across the country, the Republican National Committee outspent the Democratic National Committee by roughly $5 million to $1 million, more than twice the usual gap between the parties. The Democrats were hampered by debt of $15 million, and campaign finance scandals have hurt their fund-raising efforts. They also face substantial legal bills in connection with those scandals.

Mindful of the challenge, Mr. Clinton had taken to the campaign trail to stump for Democratic candidates in New Jersey, New York and Virginia.

If Democrats have difficulty narrowing the spending gap, it could spell trouble in the elections next year.

"This is very bad news for Democrats," said Alan Lichtman, a specialist in presidential politics at American University, in Washington. "The Republicans' coffers are overflowing, and the Democrats are broke."

All 435 seats in the House of Representatives as well as 34 Senate seats and 36 governorships, will be at stake next November. The party holding the White House usually loses congressional seats in such midterm elections, particularly in the sixth year of a presidency, which 1998 will be.

The Republican national chairman, Jim Nicholson, predicted that an anti-tax message that gave the party a boost in Virginia could be used effectively nationwide next year. "The message is: Study Virginia and emulate it and effectively develop your ideas on cutting taxes and improving education," Mr. Nicholson said. "This race in Virginia will be a model."

Mr. Gilmore had promised to phase out an unpopular state tax on cars and trucks. Most voters surveyed at polling places called taxes the top issue, and those who said so voted overwhelmingly for Mr. Gilmore.

Ralph Reed, former director of the Christian Coalition, said of Mr. Gilmore's victory: "Taxes are back, and they are back with a vengeance. Abolishing the car tax was political manna."

But Mr. McGreevey, the Democratic gubernatorial candidate in New Jersey, showed that the issue was not exclusively a Republican one. He narrowly missed riding voter ire over the state's high property tax and auto insurance rates to victory. Some Democrats portrayed the close loss as a moral victory.

Ms. Whitman's 30 percent cut in state income taxes had gained her initial favor with New Jersey voters, but Mr. McGreevey persuaded many that those cuts had led to higher local property taxes.

Ms. Whitman had also been kept on the defensive by critics in the Christian Coalition and other conservative groups, who said they would rather see a Democrat elected than have an abortion-rights advocate re-elected.

With such social issues continuing to divide the Republican Party and highlighting its comparative weakness among women voters, Ms. Whitman's narrow victory was a bittersweet one for Republicans. It pointed to continued friction between the party's moderate and far-right factions.

Mr. Giuliani defeated Ruth Messinger, the Manhattan borough president, by 57 percent to 41 percent, in a city where registered Republicans are outnumbered 5-to-1 by Democrats. New York's rate of serious crimes has fallen 44 percent since Mr. Giuliani was elected mayor in 1993, and the city has enjoyed a tourism boom.

Also re-elected Tuesday were Mayors Dennis Archer in Detroit, Thomas Murphy in Pittsburgh and Sharon Sayles Belton in Minneapolis. All are Democrats.

In Boston, Mayor Thomas Menino, a Democrat, was re-elected; he was the first incumbent in city history to face no opposition in the general election.

Mayor Bill Campbell of Atlanta will face a runoff election against Marvin Arrington, the City Council president, and Mayor Joe Carollo in Miami will face a runoff against Xavier Suarez, a former mayor.

In Houston, Lee Brown, who once headed the country's fight against illegal drugs, will face Rob Mosbacher, a businessman, in a December runoff. Mr. Brown hopes to become the city's first black mayor.

On closely watched ballot issues, voters favored the status quo.

Washington voters defeated ballot proposals advocating tight gun restrictions, new workplace protections for homosexuals, and the legalization of marijuana for medical use.

In Houston, voters decided to maintain the city's affirmative action policy, a result Mr. Clinton said he was "profoundly grateful." It was the first vote on the issue since the Supreme Court declined this week to consider a challenge to an anti-affirmative action issue approved by California voters.

Navajo Indians in New Mexico, Arizona and Utah voted down a measure to allow casinos in the country's largest Indian reservation.

IRAQ: *Saddam Uses Inspections Pause to Hide Evidence, UN Told*

Continued from Page 1

General Kofi Annan after several telephone conversations with Iraq's deputy prime minister, Tariq Aziz. Mr. Butler later ordered a resumption of the flights, beginning Monday.

There is a sense of disquiet that the secretary-general, who proposed sending a diplomatic mission to Baghdad to try to persuade the Iraqi government to reverse its order against the Americans — and to withdraw its demand that flights of U-2 spy planes in support of the inspectors be halted — has given the Iraqis a great deal more room for maneuver than the rules permit. The feeling is shared by some high-ranking officials in the Clinton administration.

Under a cease-fire after the 1991 Gulf War, Iraq was put under strict and comprehensive surveillance until all its weapons of mass destruction, biological, chemical, nuclear and missile systems, were destroyed and the country had no capacity to manufacture replacements. Mr. Butler's commission, set up by the Security Council to carry out that task, believes Iraq is still harboring the elements of a deadly germ warfare arsenal and perhaps poison gases, as well as the rudiments of a missile system to launch those prohibited warheads.

Critics of the secretary-general say that Mr. Annan has allowed Mr. Saddam to make an end-run around the council and the commission by persuading him that Baghdad has a right to be heard in New York. The United States opposed the diplomatic mission now in Iraq but lacked the necessary unity on the Security Council to stop it.

"This is Kofi Annan's moment of truth," said Ruth Wedgwood, a senior fellow at the Council on Foreign Relations who specializes in the United Nations. "This is the time to stand up for the Security Council's authority. But the secretary-general's offer to negotiate is an attempt to evade the authority of the inspection system."

Ms. Wedgwood, who is also an expert in international law at the Yale Law School, said that this gesture to the Iraqis was a "profound error" that would affect the secretary-general's reputation.

Several diplomats added that if the gamble did not pay off, the appearance of giving ground to Mr. Saddam would cost the United Nations more problems in Washington, where relations with Congress are at a low.

There are also concerns here and in Washington that Mr. Saddam will delude himself that the position of the United States at the Security Council is weak, and will take some reckless step that will provoke American firepower.

Neither Mr. Annan nor Bill Richardson, the chief U.S. representative at the United Nations, are in New York. Mr. Annan left Tuesday for a six-day trip to Latin America to discuss UN reform and make ceremonial appearances. Mr. Richardson has been summoned to Washington by Mr. Clinton to help push an expanded trade authority for the president through Congress.

In the last two days, Iraq won Mr. Annan's approval to send Mr. Aziz to New York early next week with a request to speak to the Security Council. The request is expected to generate bitter debate among council members. The British and the Americans say there is nothing to discuss. The Russians, the French and the Egyptians, all with commercial interests in Iraq, want to be more accommodating.

On Wednesday, Mr. Aziz met with the three diplomats sent to Baghdad by Mr. Annan: Lakhdar Brahimi, a UN official from Algeria; Emilio Cardenas, a former envoy of Argentina to the United Nations, and Jan Eliasson, a Swedish Foreign Ministry official who was once a UN undersecretary-general.

After their first meeting Wednesday, Mr. Brahimi, the team leader, said in Baghdad that the atmosphere had been "very nice" and that the Iraqis had expressed their views while accepting a letter from Mr. Annan. More meetings will follow. A few days ago, UN officials were saying that there was nothing to negotiate in Baghdad. Mr. Saddam was in violation of UN agreements, they said, and had to comply.

With less than a year in office, Mr. Annan has established a reputation as a conciliator willing to take on intractable problems, even at considerable political risk to himself.

"He's an accommodator," said Stephen Schlesinger, director of the World Policy Institute at the New School for Social Research in New York. "Boutros Boutros-Ghali was a man who kept everybody on edge."

PRIZE: *Ig Nobels Skewer Science's Most Improbable Research*

Continued from Page 1

tinez, an Atlanta food distributor, had just received the nutrition prize for importing Luwak Coffee. At $200 to $300 a pound, it may be the most expensive cup of coffee in the world. It is made from coffee beans eaten and then excreted by the luwak, also known as the palm civet, a marsupial native to Indonesia. (For the record, the critter supposedly eats only the ripest and best coffee berries, and the beans pass through reasonably intact.)

"We had five Nobel laureates on the stage and we brought out five steaming cups of Luwak Coffee," Mr. Abrahams recalled. "Then there was this wonderful, long moment — each one holding a cup, each looking at the other. You knew what was going through their minds. If one takes a drink, we've all got to. Well, one took a sip, and then they all did. Since I had set it up, I felt I had to as well."

Some Igs have honored the flotsam and jetsam of popular culture. Ron Popeil, a salesman on late-night television and inventor of the Veg-O-Matic, Pocket Fisherman and Mr. Microphone, won the 1993 Ig Nobel prize for consumer engineering. Don Featherstone took home the art prize last year for creating the pink plastic lawn flamingo.

The Igs also have honored dubious feats by smart people who should have known better. The 1996 chemistry prize went to George Goble, an electrical engineer at Purdue University. He ignited a backyard barbecue in three seconds using charcoal and three gallons of liquid oxygen.

Sometimes Mr. Abrahams skewers pseudo-science, such as the 1994 mathematics award given to the Southern Baptist Church of Alabama, which scoured local crime and divorce statistics to provide an "estimate of how many Alabama citizens will go to Hell if they don't repent."

FRANCE: *Talks Resumed*

Continued from Page 1

for Belgium and the Netherlands.

In Belgium, auto plants were running out of components from factories in France. Renault SA laid off workers at three plants in France because of a shortage of parts.

But the French economy minister, Dominique Strauss-Kahn, said the strike had not had a significant effect on the French economy.

The truck drivers — who demand an immediate pay rise to 10,000 francs ($1,735) a month from about 7,700 francs, and a 200-hour cap on hours they have to work each month — stepped up the pressure by throwing about 170 blockades across France.

In one action they blocked the Paris ring road — the *Peripherique* — in both directions for about 90 minutes during the evening rush hour. As traffic jams built up, the truckers handed out leaflets before the police cleared the road.

The main employers organization, the UFT, joined the talks for the first time since walking out on the weekend.

The government, which has tried to end the stoppage through active mediation, was concerned to prevent violence and has kept police actions to a minimum. But at the southern town of Vitrolles, a stronghold of the far-right National Front, hooded men with iron bars and baseball bats attacked a group of strikers, injuring three, to clear the way for a convoy of trucks.

Union officials accused a trucking company of hiring the men to free the trucks. A similar incident was reported in Normandy.

In Paris, a union representative, Joel Le Coq warned that the "positive" tone of the resumed negotiations would be jeopardized by further acts of violence.

"If such attacks increase, there could be several weeks of strikes," Mr. Le Coq said. "Let's not poison things."

Another labor leader, Roger Poletti of the Force Ouvriere union, said it seemed as though "this time, it looks like the bosses have finally understood what is happening at the roadblocks."

An agreement was reached on Sunday by some union representatives and an organization representing small and medium-sized trucking companies. The UFT, representing 80 percent of the industry including the large companies, offered an annual payment of 120,000 francs by 2001.

The strikers say they are often not paid for waiting, loading and unloading, which pushes their monthly hours to 240 or more. One union participant in the talks, Michel Caillaud, said a solution could be found within 48 hours.

"We want to negotiate and find a lasting solution," said Jean-Paul Deneuville, a negotiator for the employers.

The transport minister, Jean-Claude Gayssot, said the fact that everybody was back negotiating meant there was hope for a solution.

One problem is the truckers' distrust of the employers, many of which are said to have ignored a pledge to pay a 3,000-franc bonus after a similar strike one year ago.

RUSSIA: *Yeltsin Fires Tycoon*

Continued from Page 1

Mr. Nemtsov, who had accused Mr. Berezovsky of conflict of interest for working on behalf of his business while serving in government, said Wednesday that the magnate's ouster marked "an important step on the way to abandoning oligarchic capitalism in Russia."

Mr. Berezovsky said the deputy prime minister's accusations of conflict of interest "hold no water."

But Mr. Berezovsky was an unapologetic and outspoken exponent for the tycoons, claiming at one point that they controlled half of the Russian economy, which experts called a wild exaggeration. He has often argued that the government should heed the call of its powerful new capitalists, not the other way around.

His model for how the business leaders should work was evident last year when seven of them maneuvered to bring Mr. Chubais back into Mr. Yeltsin's camp, and they poured millions of dollars into the president's re-election campaign. The magnates control two of Russia's three major television networks and several of its biggest newspapers and magazines.

Mr. Berezovsky fell out with Mr. Chubais and Mr. Nemtsov this year, especially after the hotly contested competition between two groups of tycoons for a stake in the huge telephone holding company Svyazinvest. Mr. Berezovsky supported the group that lost and has since been sharply critical of the reformers. He asserted Wednesday that he had been forced out by them. He said Mr. Chubais had displayed an authoritarian streak and "believes that ends justify the means."

Although Mr. Berezovsky acknowledged that he and the other bankers had recruited Mr. Chubais just a year ago, he said that they had a common enemy then — to defeat the Communists — but that their interests had since narrowed. Mr. Chubais did not respond.

Mr. Berezovsky and another magnate, Vladimir Gusinsky of the Media-Most group, have grown disenchanted with Mr. Chubais since the telephone company privatization. They have contended he was favoring the biggest private banker in the country, Vladimir Potanin.

Mr. Berezovsky repeated that complaint Wednesday, accusing Mr. Chubais of being "totally hypocritical" in calling for new rules of the game. In fact, he said, Mr. Chubais was trying to help just one banker, Mr. Potanin, win the upcoming round of oil company sell-offs.

But other sources said this week that Mr. Berezovsky, too, might be a player in the oil company tenders, including that for Rosneft, a state-owned oil giant that is to go on the auction block this year or early next year. Mr. Berezovsky has already won another formerly state-owned oil company, Sibneft.

Yuri Kochetkov/Agence France-Presse

Boris Berezovksy after dismissal.

Hussein's Role Strengthened in Jordan Election

The Associated Press

AMMAN, Jordan — King Hussein is assured a free hand to run the affairs of his nation and pursue peace with Israel after loyal tribal leaders defeated Muslim fundamentalists in parliamentary elections.

With the vote count complete Wednesday, tribal chiefs, many of them centrists, won 68 seats in the 80-member lower house. Independent fundamentalists and their leftist allies won only 12 after a major Islamic party boycotted the vote.

All 17 women among the 524 candidates lost.

Among the victors was Mansour Seifeddine Murad, a former guerrilla who was jailed in Greece for a 1969 hand grenade attack on the Athens office of Israel's El Al airline that killed a child. He was freed in 1970 in exchange for 55 hostages aboard a hijacked Olympic Airways jetliner.

The results of Tuesday's vote strengthened King Hussein's rule and dealt a severe blow to the fundamentalists and leftists who oppose his pro-Western style and his 1994 peace treaty with Israel.

"I promise the people that I will serve this country and its leadership," said Abdullah Aqayleh, a leader of the Islamic Action Front who was dismissed for ignoring his fundamentalist party's boycott of the elections. He is also a tribal leader with loyalty to the king.

The vote was for the lower house. The 40-member upper house is appointed by the king. The Parliament has more powers than most Arab legislatures. It adopts laws and can unseat governments. But the king has the power to veto its actions, dissolve it and rule by decree.

BRIEFLY

Sudanese Peace Talks Resume

NAIROBI — Peace talks between the Sudanese government and southern Sudanese rebels entered their second week here Wednesday as the United States slapped an economic embargo on Sudan.

A White House statement said the order freezing Sudanese assets in the United States, prohibiting U.S. trade with Sudan and barring financial transactions would increase pressure on Khartoum to make a serious effort in the talks.

The negotiators, with Foreign Minister Ali Osman Mohammed Taha leading the government team and the second-in-command of the Sudan People's Liberation Army, Salva Kiir, heading the rebel side, are exploring steps to end Sudan's 14-year-old civil war. *(AFP)*

Turks Practice Cyprus Raid

MORPHOU, Cyprus — Turkish special forces destroyed dummy anti-aircraft missile launchers in Northern Cyprus on Wednesday in a warning to Greek Cypriots over armament plans.

Dozens of onlookers cheered as about 30 Turkish commandos landed from two helicopters and placed explosive charges around four model missile launchers on the northern side of the divided island.

The Greek Cypriot government has said it plans to buy S-300 ground-to-air missiles from Russia to improve its defenses. *(Reuters)*

UN Assembly Backs Cuban Bid

UNITED NATIONS, New York — The General Assembly, for the sixth year in a row, called overwhelmingly Wednesday for an end to the U.S. economic embargo against Cuba that Washington has imposed for more than three decades.

The vote on the Cuban-sponsored resolution was 143 to 3, with 17 abstentions, the biggest majority since the issue first came before the Assembly in 1992. The United States, Israel and Uzbekistan voted against. Last year, a similar resolution received 137 votes. *(Reuters)*

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Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Get on the Fast Track

Finally, Congress is coming to the point of decision on President Bill Clinton's trade bill. The Senate voted on Tuesday by a reassuring 69 to 31 to speed consideration of the measure. But the real test comes in the House, possibly on Friday. Mr. Clinton is asking for "fast-track" authority — the right to negotiate trade agreements that Congress can then reject but cannot amend. Without this, most other countries will not even sit down to bargain with the United States. That is why Congress has granted such powers to every president since Gerald Ford.

You wouldn't think this would be a tough call. The United States, with 4 percent of the world's population, generates more than a fifth of its wealth. If it wants to maintain that kind of standard of living, it will have to sell more overseas. And with industries that lead the world in quality and innovation — and with U.S. markets already largely open — the United States stands to gain more than most from continued trade liberalization. Moreover, if Congress defeats this measure, U.S. leadership will be called into question far beyond the trade arena.

Yet the administration is having to wage an all-out, last-ditch campaign for congressional votes. Most Republicans support the trade bill, although some are reluctant to give Mr. Clinton a win, even on an issue of obvious national interest. The real opposition comes from his own party and its backers in the labor movement. They claim to support trade, but only if agreements come with guarantees of better working conditions and tougher environmental laws overseas.

To a large extent, this is simply putting new clothes on old-fashioned protectionism. But fast-track opponents also make an argument geared to the changing conditions of a globalizing economy, in which companies are freer than ever to relocate across borders, and so workers find themselves more than ever competing across borders. In such circumstances, the prohibition of child labor or the right to bargain collectively becomes a matter of more than domestic concern. The proposed fast-track legislation acknowledges as much, allowing the president to negotiate sanctions for countries that lower their standards in order to attract foreign investment. But fast-track opponents want more.

The question eventually becomes whether you want to limit trade if you can't force your trading partners to upgrade their labor and environmental standards entirely to your satisfaction. And here is where the opponents' argument breaks down, because increasing trade is demonstrably the route to more prosperity and higher incomes in developing countries, which in turn will provide the most favorable climate for bringing their working conditions closer to U.S. standards.

Last week's turbulence in financial markets, which began in Thailand and spread to Wall Street, showed once again how linked the world's economies have become. The question now is whether the United States can continue to play a significant role in shaping the rules of the new global economy. To deny the president that ability would be reckless and self-defeating.

— THE WASHINGTON POST.

A Tolerant New York

Mayor Rudolph Giuliani's re-election is a uniquely personal achievement. He has given Republicanism a New York City gloss, one that embraces immigrants both legal and illegal, that seems more comfortable with the Clinton White House than it did with the Bob Dole presidential campaign. As a politician, he draws his legitimacy not from his party but from his own history and a character that, in its frequently irritating intensity, mimics that of the city he governs.

His ability to spin free of political attachments made this race almost impossible for his Democratic opponent, Ruth Messinger. She ran an honorable campaign, and came up with some good proposals on how to get more money for schools by eliminating inefficiency. But she suffered from a mood-flattening stump style. More seriously, she was anchored to her own and her party's history, which was formed in a period of federal largesse and never revised when the money ran dry.

Mr. Giuliani's success has a spine that comes from his own unyielding style of leadership and from the fact that he was not indebted to the multitudinous interest groups that grew entrenched during years of one-party rule.

Many Republicans seem to believe that his victory means that anyone who promises to be tough on crime and cut taxes can win elections here. That could not be further from the truth. The same polls that show Mr. Giuliani's popularity demonstrate how intensely suspicious most New Yorkers are of House Speaker Newt Gingrich and everything else that represents the national Republican agenda. This heterogeneous and touchy city can be comfortable with Mr. Giuliani's party only when its candidates assure the voters that they support the rights of women, homosexuals and immigrants.

If it is possible to put a caption on something as diffuse as Mr. Giuliani's re-election, New Yorkers were endorsing a mayor who believed that if this city is to thrive in these difficult times, it must have a reasonable amount of social order and fiscal discipline, combined with the broadest possible tolerance for differing views and modes of life. Neither political party, at its heart, has bought into that recipe. But it is the key to the electorate's allegiance.

Mr. Giuliani's victory was the culmination of a nostalgia campaign. He gave people a reminder of what the city was like in the good old days. But the glittering past that New Yorkers recalled was not the racially segregated, sexually unambiguous, ethnically divided one that Archie Bunker used to celebrate on television. It was a simple vision of safe streets and unlittered sidewalks. That seemed little enough for a city this rich to ask for, but it had been withheld for a very long time.

— THE NEW YORK TIMES.

A Disgrace in Peru

The long-threatened loss of his nationality and seizure of his property now have befallen Baruch Ivcher, majority shareholder of Lima's popular and gutsy Channel 2. Thus has President Alberto Fujimori made a mockery of his democratic pretenses and brought international obloquy upon Peru.

Mr. Ivcher, like many other Peruvians, earlier had supported Mr. Fujimori's anti-terrorist and free market policies. But his television station, the country's leading investigative voice, produced a succession of shocking (and unrebutted) stories about official corruption and abuse of power. These stories touched the most sensitive zone of Peruvian public life, the nexus of ties between the political authorities and the military command. Caught in a squeeze between the media and the security forces, Mr. Fujimori reached far beyond legal propriety to revoke the Israeli-born Mr. Ivcher's 13-year Peruvian nationality and to confiscate his station. What the now exiled television magnate calls rare "spots" of anti-Semitism have appeared in the chauvinist press.

Peru is neither entirely democratic nor entirely undemocratic. So it is that while some in the media now support the government, others are using the available space to criticize these latest presidential acts trampling on press freedom. The military crowds the politicians, but retired officers have formed a new institute to strengthen emerging Latin democracies. The judiciary has been infiltrated by the executive power, but not completely. All this is worth noting because it leaves some room for Mr. Fujimori to walk Peru back from the brink of homegrown authoritarian rule.

Countries like Peru lack a strong First Amendment tradition and the institutions and habits to put it to work on a routine basis. Each encounter between media and officialdom becomes a fresh test of courage and resourcefulness against power. That provides all the more reason for other voices to rally in Third World free press cases. The Inter-American Press Association quickly rapped the Peruvian government's "anti-democratic attitude" and called on it to do right by Mr. Ivcher. The spotlight is on President Fujimori.

— THE WASHINGTON POST.

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South Korea's Economic Crisis Is Set to Get Worse

By David C. Roche

SEOUL — South Korea's stock of unproductive assets financed by overseas money is among the biggest in Asia. Its banking sector is the shakiest in the region, apart from Thailand's. And the gap between the return on assets and the cost of capital yawns wider than almost anywhere else. The crisis is likely to get worse.

How South Korea got into this hole explains why it will be such hell to climb out. The country has one of the three Asian economies whose structure stems from the war or result of war. (Taiwan and Japan are the others.) War economies are based on a closed model.

Massive domestic savings and trade surpluses provided the fuel in the motor of South Korea's self-sufficiency. That meant depriving consumers of choice and forcing them to save. Savings were then put in banks that exploited depositors to provide cheap capital for industry to generate exports. There was no escape from this for savers, because capital markets were closed.

In South Korea's case, unlike in Japan after World War II, families continued to own and run the industrial corporations that the state controlled the corporate economy through the banks, by directing credit to chosen sectors. Widespread protectionism prevented domestic competition and achieved food self-sufficiency.

The dearth of competition meant that domestic prices could be continuously raised to subsidize export prices. It kept households poor, corporations rich and exports competitive.

This model made South Korea wealthy. It worked for 35 years. But then the world changed, and South Korea did not.

The end of the Cold War and totalitarianism spelled more than just political liberty. Its economic counterpart is global communications and consumer choice. In South Korea, that means lots more stylish imports.

South Korean exports suffer from overspecialization and overexpansion in a few sectors, mainly steel, autos, electronics and chemicals. So its export sector suffers from sharp cyclical swings and frequent overcapacity. It is also hit by increased competition from East Asian countries with cheaper labor.

Membership in the OECD forced financial and other deregulation on South Korea. Domestic prices and margins came under pressure from better-quality imports. The result has been corporate Armageddon.

By 1996, the top 20 listed Korean companies were earning a 3 percent return on assets, while their average cost of borrowing had risen to 8.2 percent. Their average debt-to-equity ratio was 220 percent. Return on equity was 0.8 percent. Naturally, many of the companies stopped paying their debts.

The prospects for real reform are dim. The top 30 family-owned industrial companies, the chaebols, still account for one-third of manufacturing output and a similar proportion of total investments. They are a focal point of social dissent, hated by everyone, including their own labor forces.

South Korea's weak currency, the won, can only make the situation worse by increasing the foreign debt burden.

The country's bank and financial sector credit is 155 percent of GDP, the third highest in the region. Add in the corporate sector's outstanding bonds and notes, and the share moves close to 200 percent of GDP.

The banks' exposure to real estate amounts to 25 percent of their total loans, well ahead of the level in Indonesia and the Philippines.

All this might be overcome if the South Korean companies and banks could reliquefy themselves by earning money. But they don't. The corporate sector has the worst record of profitability of any country in Asia — and that is saying something.

South Korea needs to become foreign investor-friendly. It needs to deregulate its domestic economy and expose it to the fresh winds of competition. It should slim down the chaebols; that would raise productivity. And it needs to restructure its overindebted banking system.

South Korea does not look willing to do this on its own. Maybe the International Monetary Fund should step in and give the politicians a shove before there is a disaster. But has the IMF got enough money after its recent bailouts of Thailand and Indonesia?

The writer is managing director of Independent Strategy, a global investment research consultancy based in London. He contributed this comment to the International Herald Tribune.

Hit Saddam in His Sovereignty and Personal Protection

By Jim Hoagland

WASHINGTON — Saddam Hussein, the corpse who won't die, keeps popping up beneath the boards where America thought he had been buried forever. He claws his way up politically to snarl anew at the world.

The Clinton White House treats these episodes as moments of sound and fury without cost for U.S. interests. Saddam Hussein is "crying" to test American might, the spinners say. He soon will be back in his box."

The spinners portray the Iraqi dictator as an incompetent, erratic gangster chief who needs an occasional thump in the chops with a cruise missile. But that neglects the moral and strategic costs that these continuing confrontations with Saddam impose on U.S. leadership in the world.

Each new confrontation saps respect for America. Each confrontation demonstrates the futility of military force that is not harnessed to an effective political strategy or to the political will to deal with a declared enemy who has deadly VX nerve gas, several score Scud missiles and anthrax weapons.

Throughout the Arab world, rulers and citizens believe that the world's only superpower could remove Saddam's regime if it wanted to. Because Saddam's continued rule serves a useful purpose for them, by controlling oil prices or keeping Iraq's Shiites and Kurds subjugated and brutalized, Arabs assume that his continued rule serves some unacknowledged U.S. purpose as well.

This suspicion is also increasingly voiced in Europe and Asia, and contributes to the willingness of France, Russia and others to distance themselves from U.S. strategy on Iran as well as Iraq.

Saddam's challenge to American servants on the UN Special Commission inspection teams is not short-term bluff. By agreeing to talk to a high-level UN delegation about this unilateral move, he underlines that he is still accepted as the legitimate ruler of Iraq by the United Nations, the United States and the rest of the world.

The diplomats dispatched to Baghdad were instructed to chastise him, but they treat him as a member of their club by going there. And Russia, France and the Arab League have gone on record opposing any military action against Iraq over this defiance, providing Baghdad with a significant diplomatic and psychological marker to cite in future disputes.

George Bush compared Saddam Hussein to Hitler, reminding the world of his genocide against the Kurds, his use of poison gas, the rape of Kuwait and other atrocities. But after all that, Saddam's officials are still seated on UN human rights commissions and in other important international institutions.

Saddam has been obstructing and harassing UN inspectors for nearly two years, without significant reaction from Washington or UN headquarters. The inspection teams cannot protect themselves. They are in Iraq at Saddam's sufferance. He has made the world acknowledge that through this conflict.

The Clinton administration has left itself with few choices and few serious allies in dealing with Iraq. A repeat of the ineffectual missile raids that capped two previous "showdowns" would do more harm than good. New sanctions will not change his behavior.

Instead, the White House should hit Saddam in his sovereignty and in his personal protection, the two areas that will hurt him the most.

Washington should begin a serious campaign to attack Saddam's legitimacy by providing vigorous leadership of the international effort to indict him and his henchmen as war criminals. Bill Clinton and his aides should challenge Baghdad's credentials at the United Nations and in its agencies. They should encourage the creation of an Iraqi government in exile and promise to recognize it.

Harnessed to a political program to deny Saddam legitimacy, one military campaign would make sense now: an assault on the Special Republican Guard units that protect Saddam and his palaces and also the hiding places for Iraq's deadly secret arsenal. Zeroing in on these units for missile and air strikes might make them rethink their support for Saddam.

Except for the 100 hours of Desert Storm in 1991, the United States and its allies have treated Saddam's regime as an acceptable evil. But each time he claws his way up, he exposes the international community's complicity in his survival.

The Washington Post.

An Unproductive Fixation on Rogue States

By William Pfaff

PARIS — Saddam Hussein's latest exercise in provocation again raises the problem — and it is a problem — of Washington's preoccupation with "rogue states." "Standing up" to these easily condemnable enemies is self-satisfying but does not accomplish much.

Saddam Hussein has outlasted George Bush and is likely to outlast Bill Clinton. In his last defiance of Mr. Clinton, in 1996, his troops moved into Iraqi Kurdistan to overrun a costly CIA operation. The United States launched some missiles in retaliation, to no practical effect.

Moralizing politics is an American tradition.

A hundred years ago, Papist imperial Spain was the enemy. An enlightened and proudly progressive United States invaded Cuba and seized the Philippines. It then overturned the independent republic that the Filipino liberation movement had set up, and in the next two years spent more money and lives than in the Spanish-American War itself in order to put down the Filipinos' rebellion against American colonialism.

Cuba was compelled to incorporate into its constitution a right by the United States to intervene in Cuban internal affairs. This lasted until 1934.

World War II gave the moralizing approach to international relations a new dimension, since Nazism and Stalinism made into reality what previously had been unimaginable in the conduct of nations. Conflict with dictators since then has tended to be assimilated to that history, so that George Bush condemned Saddam Hussein not as a brutal dictator but as "the new Hitler."

All this makes it hard to disengage from "rogue nations" even when the engagement has become loss-making or absurd.

Blockades and embargoes of the rogue states have served mostly to make ordinary people in those nations suffer while the dictators, their families and their security forces feast and gambol as they please.

Saddam has demonstrated his capacity for getting what he wants, at the expense of his people, whatever Washington or the Security Council may do. The mullahs in Iran and the indefatigable Fidel Castro have probably drawn net profit from Washington's enmity.

The situation is further complicated by electoral politics in the United States. The Cuban lobby, some of whose leaders seem to envisage an eventual personal takeover of Cuba, have manipulated Congress and presidential candidates for many years. The Israeli lobby has a lively interest in the existence and notoriety of rogue states because without them American public support for Israel might fade.

Yet can anyone seriously claim that the 40-year American blockade of Cuba, whose leader surely has insignificant rank in any modern moral bestiary, has been of value to the American people? The best that can be said of the blockade is that by briefly turning Cuba into a Soviet nuclear missile base it seriously frightened all the Cold War players. That may have had a certain usefulness.

What purpose has been served by 20 years of hostility to Iran? It is revenge for a humiliation of America, itself provoked by more than 30 previous years of gross American interference in Iran's affairs.

As for sponsorship of terrorism, it is the weapon of the weak. And the young Islamic fanatics now loose in the world, bearing Kalishnikovs and stocks of plastic explosive, are likely to have learned their tradecraft in Afghanistan under CIA sponsorship. (Warned that the United States might prepare postwar chaos in Afghanistan and beyond by sponsoring extremist elements, a senior CIA officer said to an acquaintance of mine, "I am not in the nation-building business.")

The distinguished military historian Sir Michael Howard recently wrote about the information now available from Soviet documents on what really went on in the Cold War. The Soviet economy was collapsing from the mid-1960s forward. The U.S.S.R.'s sole asset was a nuclear missile force which had no deterrent utility, since the West was not going to attack, and no offensive value against an overarmed West.

Sir Michael asks: "What if the United States in the 1970s and 1980s had played into Soviet weakness rather than Soviet strength; maintained a credible minimal deterrent, ignored the Soviet show of unusable nuclear strength and, in effect, called the Soviet bluff?"

The hypothetical question is unanswerable, but, as he adds, "American public opinion, whipped up by whichever party was in opposition, would probably have rendered any such policy out of the question."

That, I am afraid, is also why America's campaigns against the rogue states will go on, however futile they may be. Political Washington needs the rogue states, while they, on the whole, have done rather well from Washington's attentions.

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Beijing's Gorbachev Hang-Up

By Philip Taubman

NEW YORK — When Jiang Zemin resists appeals for political reform in China, he no doubt has a nightmarish image in mind that he is determined to avoid. It is Russia. Everything he fears about the future is represented by China's giant neighbor with a fractious new democracy.

Mr. Jiang and his colleagues do not see the benefits of capitalism when they think about Mikhail Gorbachev. They see a man who presided over the demise of the Soviet Communist Party and the disintegration of his country and was then supplanted by his political rival and almost lost his apartment and dacha in the bargain. Mr. Jiang and his fellow Communist leaders will do almost anything to avoid the Gorbachev syndrome.

From Mr. Jiang's viewpoint, the genius of the economic reforms introduced under Deng Xiaoping has to be that they have produced prosperity while preserving the power of the Communist Party.

Since China's nascent democracy movement was crushed in 1989, the considerable initiative of the Chinese people has been largely channeled into economic activity, with benefits for millions of citizens. Who has time for political mischief when living standards are rising and cell phones are beeping?

I have often wondered what course reform would have taken in the Soviet Union if Mr. Gorbachev had given his people consumer goods before glasnost. There was a not altogether frivolous theory in Moscow in the late 1980s that the party and Mr. Gorbachev would thrive if only the Kremlin arranged for trainloads of Nike athletic shoes to be shipped in from Asia.

Mr. Gorbachev did not deal first with the stagnant economy because he knew that the interests vested there would be difficult to challenge. He also lacked a philosophical commitment to dismantling the centrally managed economy. So he took the easier route of unlocking the intellectual life of Russia and hoping that that would lead to political reform.

Chinese officials have told me they were alarmed by the Russian model as soon as Mr. Gorbachev started tinkering with the Soviet system in 1985. It was easy to see why by 1989 when I took a break from my assignment as a correspondent in Moscow to visit China with my family.

The country we left behind was starved for consumer goods and economically inert, but it was alive with political debate. The country we arrived in was bustling with capitalist activity, but it was politically stunted.

Mr. Jiang has every incentive not to change that. When he looks at Russia he sees a country where leaders can be removed from power by voters, where newspapers and television news openly question Kremlin policy, where the Communist Party is in eclipse and where the criminal economy outstrips legal enterprise.

While Mr. Jiang may publicly stress China's need to preserve stability and order so as to ensure that a society of 1.2 billion people can modernize, that theory nicely dovetails with the less noble ambition of retaining power.

That is why he and Bill Clinton could find no common ground in their impromptu news conference discussion of democracy and human rights. Mr. Jiang was thinking about Mr. Gorbachev.

There is a good deal not to admire about Russia today. Crime is rising, economic inequities are mounting and a small group of businessmen and bankers intent mainly on enriching themselves has gained an unhealthy influence in Russian politics. Overall, the Russian economy shows little of China's vitality. Yet for all its afflictions Russia is no longer mired in a dead political system.

Over time, economic freedom and modern communications, including access to the Internet, may bring new political life to China. But it will not come quickly, easily or from the top of this regime.

The New York Times.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Dreyfus Case

PARIS — The *Temps* published a long letter from M. Gabriel Monod, president of the Ecole Pratique des Hautes-Etudes, on the subject of the Dreyfus case. He states without hesitation that Captain Dreyfus is innocent of the crime for which he was convicted to transportation for life. He found that Dreyfus had been convicted solely on the evidence of certain handwriting stated to be his. When he came himself to compare this handwriting with that of Captain Dreyfus, he found that both could not possibly have been written by the same person. This opinion was supported by a very clever expert in matters of handwriting.

1922: Misuse of Money

CHICAGO — Vice-President Calvin Coolidge declared that too much prosperity and the misuse of money are responsible for youthful elopement, murders by women and other recent sensations throughout the country. "The people have too much money and use it wrongly," he said. "Good living was never higher and bad living never lower than to-day."

1947: Arabs Protest

DAMASCUS — Arab resentment over the Palestine dispute will bring on an effort to disrupt plans for the $125,000,000 American-owned pipe line to carry Saudi Arabian oil to the Mediterranean Sea. Preliminary work has been completed for the so-called Tapline (Trans-Arabian Pipe Line) and American engineers have surveyed the route across 1,140 miles of the Arabian Peninsula. But the Syrian Parliament has yet to ratify the last remaining agreement, and influential Arabs in and out of Syria are putting pressure on Deputies to withhold approval.

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OPINION/LETTERS

Africa Needs Western Agricultural Technology

By Jimmy Carter

ATLANTA — As we approach the new millennium, starvation and malnutrition remain serious threats to almost a billion people worldwide, according to the World Food Summit. The situation is gravest in the 49 countries that make up sub-Saharan Africa.

The reality is that we have the knowledge and ability to prevent starvation but fail to act.

If affluent nations choose to act in two broad areas, many African farmers would benefit. After all, they are proud, ambitious, competent and hard-working. They respond almost immediately to new ideas and plow most of their profits back into improving their farms and agricultural tools.

First, developed nations must escalate efforts to share existing technologies with small-scale farmers.

For the past 11 years, the Carter Center and the Sasakawa Africa Association have been involved in a grassroots agricultural effort, SG 2000, that now reaches 12 African countries. Led by the American agricultural scientist and Nobel laureate Norman Borlaug, SG 2000 works with heads of state and their ministries of agriculture to share successful agricultural techniques with more than 600,000 small-scale farm families.

Through this collaboration, we have proved that it is possible to double, triple and even quadruple crop yields, using existing technology. This is done primarily through planting in contour rows and through the proper use of improved seeds, modest amounts of mineral fertilizer and timely weed control.

Second, wealthy nations must be prepared to share emerging technologies with less-developed countries. For example, agricultural biotechnology can play a vital role in improving health and nutrition.

Regrettably, extremist groups in affluent countries have begun to mount attacks against responsible plant biotechnology and the moderate use of fertilizer and pesticides, wrongly asserting that they will "poison" the earth's farmland.

This type of speculation is erroneous. Of course, we must be environmentally responsible in growing food, but we cannot use only methods that were developed to feed a much smaller number of people.

The world's population is expanding by 100 million people each year. Within the next four decades, we will need to expand food production to about 10 billion tons per year. It took some 10,000 years to reach half that amount.

Obviously, the world's farmers will not meet this challenge unless they have access to continuing breakthroughs in agricultural science and technology.

Many in the international donor community want to help improve food security in Africa and other developing areas. However, some environmentalists, backed by powerful lobbying groups, have clashed with food producers over the best methods of achieving higher productivity. The resulting discord has led many donor agencies to throw up their hands in discouragement and to stop supporting the agricultural programs so urgently needed in sub-Saharan Africa. This policy deadlock must be broken.

Norman Borlaug is one of a growing number of agricultural scientists who believe that the proper use of biotechnology can help increase crop yields and reduce pesticide use at the same time.

Researchers in universities and the private sector have worked for years seeking methods that would improve the yield, dependability and quality of agricultural crops. Using biotechnology, these scientists build upon traditional plant breeding but go far beyond it.

With this powerful new knowledge, they now have the capability to pack large amounts of improvement into a single seed. For example, they can insert genes to resist diseases and insects, thus reducing the need for chemical pesticides. They also can insert genes that help crops withstand *drought conditions*.

Farmers almost certainly will not be able to feed poor nations unless these new products reach them soon, even if they immediately begin using existing techniques.

We must also provide biotechnology training for scientists and extension workers in developing countries, and at the same time encourage the development of regulatory safeguards to govern research and production and to protect consumers.

Public-private collaboration will be crucial in achieving these objectives, but development of biotechnology is very expensive for the private sector. Private companies must have appropriate incentives and protection for their intellectual property rights if they are to continue their research.

For President Jimmy Carter is the founder of the nonprofit Carter Center in Atlanta. He contributed this comment to the International Herald Tribune.

Streamline NATO to Reflect the New Realities

By Frederick Bonnart

BRUSSELS — The absence of a tangible military threat to NATO's member countries is causing havoc with attempts to reshape the alliance's integrated military structure. Created to take command of large national forces supplied by member nations in case of war, it must now be adapted to the new situation.

This also applies to the defense planning cycle, which set agreed-upon force goals for each nation.

The end of the Cold War meant the end of the need for a mighty allied military force drawn up across Europe, facing east. The new strategic concept, adopted at a NATO summit meeting in November 1991, recognized this and set guidelines for restructuring. Smaller, more multinational, more mobile formations were to be substituted for the large national army corps.

The integrated command structure was to be pared down accordingly. But, albeit reduced, it continues to exist today, and the planning cycle is still adhered to. Both are hopelessly out of date. A much smaller, more flexible organization is needed, one able to deal with the type of emergencies the alliance is likely to face.

The old measure — the size and quality of opposing forces against which the defensive capability had to be shaped — has disappeared. This has weakened the common commitment and national interests have taken over. Whereas individual nations previously provided force elements to ensure that the alliance as a whole was able to respond to an attack by the Warsaw Pact, present force targets are set to satisfy nations.

> ***The end of the Cold War meant the end of the need for a mighty allied military force drawn up across Europe.***

"If we consider a certain member country should have three frigates but the nation's admiral wants six, we write in six," a senior planner recently told me.

The new command structure was to have been completed by the Madrid summit meeting last July. It will not be completed by the December ministerial NATO council meeting, either.

The disagreements are not motivated by questions about the alliance's military effectiveness, but by the need to satisfy national prerogatives and prestige.

As a consequence, the original plan of reducing the number of installations from 65 to 19 has already been modified; at least 25 installations will be necessary to satisfy national demands.

These requirements create dissension among the allies.

The acrimonious dispute between the United States and France has now subsided. The new French administration is clearly not interested in pulling President Jacques Chirac's chestnuts out of the fire and will need all its political capital for domestic purposes. It therefore will not press on with France's return to the integrated structure. But it has also made clear that it will not interfere with NATO's present plans.

However, other member nations have made themselves felt.

Spain has tied its entry to the integrated structure to obtaining a headquarters in Madrid, so as to bring the whole of Spanish territory under a NATO command headed by a Spanish general. But Britain has made agreement conditional on Spain's lifting its overflight ban for aircraft flying in and out of the Gibraltar air base. Spain is actively resisting this demand.

Similar problems have arisen by a planned headquarters in Larissa, Greece, where a Greek general would command NATO forces for eventual intervention in the Balkans.

Political problems between Greece and Turkey prevent agreement. Moreover, Poland has let it be known that it wants a NATO headquarters on its territory. Thereafter, no doubt, Hungary and the Czech Republic will follow suit — and so will all the others that are to come.

Yet NATO does not need the previous geographical structure.

Instead, it should be organized on a functional basis. It would then need to retain only the overall European headquarters, SHAPE in Mons, and two regional headquarters — North and South. Under them, a number of small joint service headquarters would coordinate a limited number of ground and air forces, capable of taking on tasks like the Bosnia emergency.

Such a military structure would be both effective and affordable. It would also be realistic; no requirement for common defense exists today nor is it likely to arise in the foreseeable future.

Should such a situation develop, there will be ample time to make provisions for dealing with it. As long as the alliance remains cohesive and cooperative, and its military personnel are able to operate together, such a flexible military structure can be adapted to meet any emergency.

The writer is editorial director of NATO's Sixteen Nations, an independent military journal. He contributed this comment to the International Herald Tribune.

What Is True in the World? Thoughts on Turning 50

By Ellen Goodman

BOSTON — Somewhere between the surprise party, the 600-pound birthday cheesecake and the Oprah show, I came up with a few more reasons Why I Am Glad My Husband Isn't President of The United States:

Reason 341: My 50th birthday wasn't a Time magazine cover story. Reason 342: Nor was it the occasion for a national popularity poll. Reason 343: Nor did ABC go out on the streets asking people how old I look.

MEANWHILE

The good news about Hillary's four-day 50-fest is that since the baby boomers started hitting the half-century mark, the big five-oh has become a cause for public celebration. The bad news is that when a documentary crew follows you around, when someone names a park, a day and a corner after you, there's not a whole lot of time for private musing.

The New York Times dubbed the birthday an "unofficial coming-out party for the second-term first lady." U.S. News & World Report said she had gone from modeling herself after a policy wonk to modeling herself after a princess, Di.

Everywhere you looked, the image analysts were saying that she had "softened" as if she were in the last act of "The Taming of the Shrew." On Oprah, the audience actually applauded the fact that at 50 she finally got her hair right.

But whatever her private thoughts were on this birthday, Hillary kept them, well, private. "I was just sort of rolling through time," she demurred, "now it's being turned into this huge deal."

Last week at the Chicago Historical Society she said just a bit ruefully: "I feel like a piece of history. ... I should either be 100 years old or talking about somebody else."

Nobody wants to psychobabble through their birthday party. I accept her reluctance to be extrovertedly introspective. But as someone who has been there and doing that, I can promise that you don't get through your 50s without a whole lot of reflection on where you've been and what you are doing ... next.

Women in their 50s today are all over the demographic lot — having babies, mammograms and face-lifts. But most of us, like the first lady, confront our 50s, menopause and an empty nest simultaneously.

Those of us who did it all, and then some, in our 40s hear the unmistakable sound of doors closing behind us. Kids are leaving home. The chance of becoming a nuclear physicist or a professional ballet dancer is less than the chance of getting a titanium hip. And honey, can I borrow your glasses to read the menu?

There are doors opening in front of us as well. But we know there isn't time to go bounding through them all. We have to pick carefully and boldly, to triage what we want to do and what we want to quit. We have to live intentionally, to figure out where we will go if we "let ourselves go."

In this decade, the lines the poet Adrienne Rich wrote to herself echo everywhere: "Dear Adrienne:/ I'm calling you up tonight/ As I might call up a friend as I might call up a ghost/ To ask what you intend to do/ With the rest of your life."

At 50, Virginia Woolf began to write her famous and angry tract "Three Guineas." At 50, Julia Child brought taste to television.

> ***You don't get through your 50s without a whole lot of reflection on where you've been and what you are doing ... next.***

At 50 — do not laugh — Candice Bergen cut her hair short. At fiftysomething you have to build the rest of the life you don't want to regret not living.

Old age, they say, is not for sissies. But middle age with its loss and liberation demands courage as well. Hillary Clinton, who has tried to be her own woman and her husband's wife and her country's first lady, subject to astonishing scrutiny and overwhelming demands, can see all those open doorways down the corridor. They must look like thresholds to freedom, but it's not easy to know which one to cross.

On the first lady's birthday visit to her old school last week, Hillary's second-grade teacher greeted her star pupil teasingly, "And who are you?" The first lady answered, "Oh yes, this is the question we're all trying to answer." Perhaps so.

In "Song of Solomon," Toni Morrison's Pilate finally "tackled the problem of trying to decide how she wanted to live and what was valuable to her." She asked herself: "When am I happy and when am I sad and what is the difference? What do I need to know to stay alive? What is true in the world?"

These are more than enough questions to ask when at fiftysomething you call yourself up, like a friend or a ghost, to ask what you intend to do with the rest of your life.

The Boston Globe

LETTERS TO THE EDITOR

Dealing With China

"Regarding "Notice How Being Firm With Beijing Helps China to Change" (Opinion, Oct. 22) by Gerald Segal:

In this postcolonial age, what self-respecting nation, particularly a newly emerging superpower, would tolerate any country or group of countries insisting it change its behavior? Would the United States? Would Britain? How about Israel? Or Cuba? The answer is obviously "no!" Mr. Segal writes more like an opium baron of the 19th century than a late 20th-century Asia specialist.

The Chinese leaders dared to move their decrepit state economy toward a market system that has become the hottest on the globe, a market that attracts the major trading nations like bees to honey. With no map to guide them, and with one midcourse correction after another, they have arrived at a near-miraculous transformation of China's economy. This achievement is vastly underrated in the rest of the world, where many smaller and supposedly well-off nations have populations that are not totally well-fed and clothed.

Mr. Segal calls China "a weak power." If the world's most populous nation, with the hottest economy, the largest army, nuclear weapons, space satellites, ICBMs and a permanent seat on the UN Security Council is considered weak, I am hard put to find a term that sufficiently describes the diminutiveness of most Western nations.

As for Asians deciding to follow the West in "teaching China that it cannot throw its weight around," dream on, Mr. Segal. As for suggesting that the West can deny Beijing "the ability to set the agenda in the South China Sea," would Europe allow China to set the agenda in the English Channel or the North Sea?

And as for reality dawning "more fully in Asia," I strongly believe that the place where reality should be dawning is in the West. We in the West must objectively assess China, where it is headed and how we and our children should best deal with China for our own peace and prosperity.

JAMES R. FEES.
Brussels.

Regarding "Trying to Win Over the World, or Foreign Policy as Love-In" (Opinion, Nov. 4) by William Pfaff:

Mr. Pfaff's frequent diatribes against the evangelistic tendencies of American foreign policy are often well-founded and on the whole salutary. But he has gone overboard in this article.

He says that "Americans want the Chinese as customers but also as converts to American ideas" and that America wants cooperation with China, "but no 'Asian values,' please."

He also says that America "wants trade relations that give American business access to 2 billion potential customers" but does not want "prison labor exports, nuclear technology diversions, pirated software or awkward trade surpluses."

One might ask Mr. Pfaff what civilized government or people *does* want these things. Outlawing such behavior is essential to the establishment of a civilized international order.

CHRIS PETROW.
Neuilly-sur-Seine, France.

Romania's Task

Regarding "Bucharest Works on Its Image" (Oct. 30):

If Romania wants to be accepted into the Western world, it has certain obligations. Among them is the responsibility to respect the values of the democratic world by combating anti-Semitism and xenophobia and by protecting the rights and safety of ethnic minorities.

The Romanian government must take action to combat the disturbing rise of an ugly and violent anti-Semitism within the country. In the last three years, monuments to the memory of the Romanian World War I "führer," Ion Antonescu, have been erected in three cities as part of an effort to rehabilitate this war criminal as a national hero.

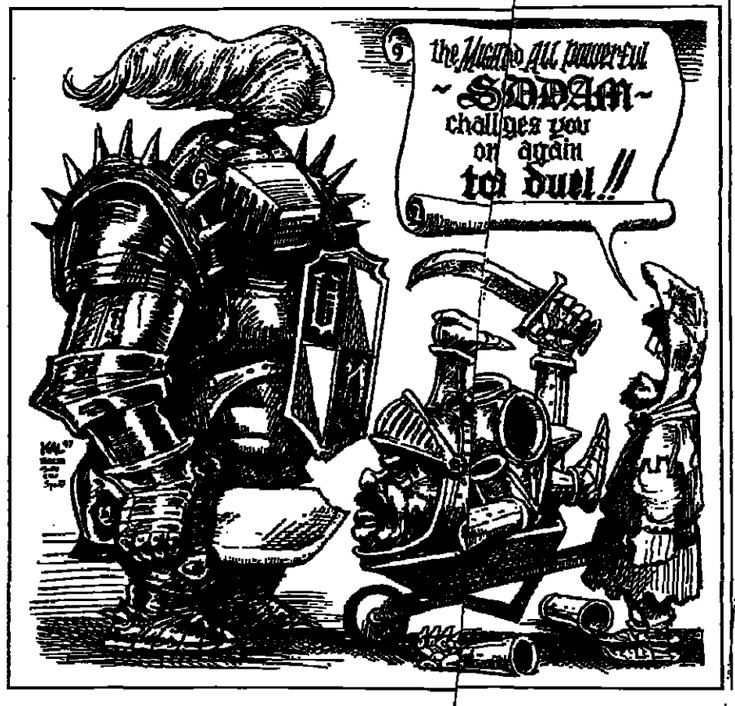
Last month, the Bucharest daily newspapers Cronica Romana and Libertatea reported that members of Antonescu's government were rehabilitated according to a recommendation by the prosecutor general of Romania.

This year, for the first time, Romania acknowledged its role in the Holocaust. But how can this be accepted in light of the rehabilitation of members of the Antonescu government?

Foreign investment in Romania should not be encouraged or bolstered unless Romania respects the values of the western democracies.

BARUCH COHEN.
Montreal.

The writer is a senior research associate at the Canada Institute for Jewish Research.



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NEW YORK FASHION

Time Has Run Out on Designers' Hollywood Minute

Richard Tyler's glamourous asymmetric dress with curving train.

By Suzy Menke
International Herald Trib

NEW YORK — Ho[w] can fashion rely on sh[ock] for its kicks? When ev[ery]thing next to the newly-b[are] Julia Roberts front row seems [to] so what" and the audience yawns [thro]ugh raffia corsets, pearl-embroider[ed] tus and shake-and-rattle fringing, vo[gue] that time is up for fashion's Holl[y]od minute.

Although designers on both si[des] the pond seems obsessed with the [al]r celebrity and the desire to catch a s[ta]r bite of attention at the Oscars, fa[shion] needs a new definition of glamour.

With straight-up celluloid sexin[ess] references to film noir and a barrag[e] Las Vegas showgirl looks, three [de]signers in New York's spring/summ[er] season showed different ways of loo[ki]ng for a message in the stars.

Richard Tyler dresses them. Th[e] West Coast-based designer genuinel[y] has a Hollywood clientele and the col[le]ction he showed was designed to serve a woman with a good body and a smooth L.A. tan, whose lithe limbs inevitably appear through deep slits in the side of a slender dress and whose bronzed back is showcased by a swooshing cowl. His customer likes portrait-collared jackets cut to a sparrow-small body, skirts hugging the rear with artful seaming and sequins twinkling on matte chiffon.

Viewed on a big stage or a small screen, Tyler's evening dresses, or even his white leather jackets with fretted foliage, might seem like showstoppers. But with the clothes shown close-up and personal in the designer's Gramercy Park mansion, the focus is entirely on the detail. Intricate effects, from the twin shoestring straps from which a slender dress is slung, through the embroidered lace that plays peekaboo with the legs on an asymmetric dress, are the designer's strength. And also his weakness.

TYLER overindulged his penchant for fine needlework and decoration. Sometimes the effects were beautiful, like the passementerie trimmings on the seams of a beige suede jacket, or when tiny tucks shaped a pale pink chiffon bodice. Other things just seemed indigestibly complicated: the sheer and matte fabrics opening windows on the body, the lace inserts like jigsaw-puzzle pieces, the extraneous strap at the waist. Maybe Tyler has been emboldened by the fact that other once-minimalist designers are encroaching on his territory. But his strength is in subtle decoration and that was the best of his show.

Todd Oldham is not a man for the subtle gesture but rather for the big bold hit. His show, with Roberts front row, was an exuberant parade of fancy pattern, bright color and wild decoration that seemed exhausting as multicolored grass-skirted dresses took to the runway and even shoes had swinging silver pompoms like miniature disco balls. A graphic wheel whirling on the backdrop was symbolic of the fairground atmosphere.

Upbeat clothes are Oldham's thing, and he can't be criticized for doing what he does. But everything this season just seemed shorter, brighter and tighter than ever, even if some effects were cleverly done. Long dresses were sprinkled with patterns of shredded paper or were woven from chiffon scraps like a rag rug — both witty takes on Oldham's penchant for recycling materials into madcap objects.

There seems to be a showgirl mood rollicking through fashion, with Alexander McQueen at Givenchy going for Dolly Parton fripperies and even Valentino being inspired by the Wild West. Oldham is a master of that genre, but this show somehow missed out on the irony that would have tempered the extravagance.

John Bartlett's take was entirely ironic — a spoof on film noir that started with the runway, where blood-red vinyl formed pools on a black floor. When a model smoldered out in a ketchup-red leather trench that caught a sudden spotlight, the effect was sensational.

Otherwise, the cinematic ideas never made the translation from screenplay to stage. Crystal-studded underpants just seemed pointless and vulgar. And a black sling, like the abstracted straps of a backpack seemed uncomfortably like a reference to S&M.

More crafty were Bartlett's cutouts — an inverted V at the front of sweaters, often revealing a flash of flesh but also giving a sly signature to the designer's sleek urban pieces. When the bold crystal beads made a giant cross on sheer stretch tops, they had a modern glamour. So did the sexy white housedress that opened the show, the model looking like Kim Novak turned serial killer. And the crisp shirts and slim skirts that the program described as inspired by police uniforms. But the film noir needed tighter direction and fewer references to other runways like old designs from Prada and Helmut Lang.

Should a designer who made a reputation on sleek minimalist clothes try to make another movie? As awkward double-layered skirts flapped out on the runway above orthopedic sandals, Marc Eisen's show just didn't look like his fresh, easy, streamlined pieces. Pleats inserted into the side of a dress looked forced and so did fringes visible from the waist under a semisheer dress.

But Eisen had worked hard on fabrics and they were an effective way to enrich his simple clothes. "Refracted linen" described a gauzy, texture of a simple dress and the show opened with a shimmering pattern exploding like a sunburst to fine effect.

BOOKS

JANE AUSTEN: A Biography

By Claire Tomalin. 352 pages. $27.50. Knopf.

JANE AUSTEN: A Life

By David Nokes. 578 pages. $35. Farrar Straus Giroux.

Reviewed by Joan Aiken

TWO new biographies of Jane Austen, almost simultaneously. Both books possess many virtues, and are highly readable. They are also as different, one from the other, as two books covering the same timespan and making use of the same material can very well be. Little new information is provided, but new insights are given on existing facts. One book adopts the severely factual, the other the slightly fictional, approach.

Claire Tomalin, while sticking firmly to facts, never lets her readers forget that what she describes is the 18th century, more than 200 years distant, in its opinions and habits, from our own viewpoint. On Dec. 16, 1775, Gilbert White, in his Hampshire parsonage, noted, "Fog, sun, sweet day." On that same day, in another Hampshire parsonage, about 20 miles distant, Jane Austen was born. Tomalin offers a vivid description of the hard winter weeks that followed at Steventon — snowdrifts to the tops of the gates, birds at the kitchen door for crumbs, hares venturing into the gardens, while "Mrs. Austen lay upstairs in the four-poster, warmly bundled under her feather-beds" and little Jane could *not be taken out for a church christening* by her father, George, until April 5.

David Nokes has a very different opening: He takes us first to India, to the isolated and melancholy outpost of Tysoe Saul Hancock, husband of George Austen's sister, Philadelphia, and official father of Jane Austen's cousin Eliza. In fact Eliza, who subsequently married the Comte de Feuillide, was believed by many to be the daughter of Warren Hastings, governor-general of India. Hastings was a friend and connection of the Austen family, and his young son was cared for by Jane Austen's parents, who took in pupils and boarders to eke out George Austen's *meager clerical stipend.*

On visits to Steventon, Eliza Hancock, clever and sophisticated and some years older than her cousin Jane, flirted with Jane's elder brothers, took part in Austen family theatricals, was a decided literary influence on Jane, and is supposed by many critics and biographers to be the original of Mary Crawford in "Mansfield Park." Hitherto biographers have been wary or tactful about Eliza Hancock's parentage, but, since Warren Hastings took continual interest in Eliza and gave her several handsome presents of money, his connection with her is now generally accepted, and certainly by both the present biographers.

A second "family secret" hitherto little mentioned is the existence of Jane Austen's brother George, 10 years older than Jane, who "never learned to speak" and was boarded out for the rest of his life in another Hampshire village along with Thomas Leigh, Mrs. Austen's mentally defective brother. This George Austen long survived his sister Jane and lived on into his 70s.

Concluding her biography, Tomalin looks back over Jane Austen's life to debate which of the many roles Austen played in her short career best represents her — brilliant child, affectionate sister, dutiful daughter, loving aunt, social butterfly, teenage flirt, dedicated author — and selects, as her own personal choice, the adult writer who, for her own amusement, transcribed comments on her books by people she knew and chuckled over them in private.

What makes Jane Austen so irresistible? Is it because she wrote only six books, and they are so perfect?

And yet they are not quite perfect. Tomalin points out a few flaws. She suggests that the character of Marianne, in "Sense and Sensibility," which began as "a sometimes crude portrait of a self-indulgent sixteen-year-old," becomes altered as the writer's appreciation of her character grows, as she develops the portrait and traces out her history. And the repulsive pairs of sisters in "Pride and Prejudice" and "Mansfield Park," the Bingley ladies and the Bertram girls, are little more than outlines, left over from early drafts; they do not compare with Austen's real villainesses, Mrs. Norris, Lucy Steele, Mrs. John Dashwood.

What genetic explosion made Jane Austen the writer she was? Tomalin has a charming comment on "Emma," which, she says, "like a string quartet or a sonata ... grows in the mind with each new encounter."

Jane Austen's brothers all displayed *literary ability, and so did her nephews* and nieces. Most important of all, her mother, that somewhat enigmatic figure, had a remarkable gift for knocking off comic verse.

Both these biographies convey, very strongly, the constant shortage of money, the straits, the struggles, the shifts and contrivances that the emerging middle-classes were going through at that time. Country gentlemen, on the fringes of the aristocracy, had more children than they could provide for; the sons had to scramble somehow to college and then into the navy or the church; the daughters had to find themselves husbands.

Which of these engrossing books would I take to a desert island? I would take Tomalin's — because I prefer to make my own guesses about the mental activities of historical characters, and not have them dealt out to me, ready-made.

Joan Aiken has just finished "The Youngest Miss Ward," a Jane Austen spin-off. She wrote this for The Washington Post.

BRIDGE

By Alan Truscott

HAMMAMET, Tunisia, —A great French team, playing with determination and accuracy, looked as if it was headed for victory in the world championship. After 112 of 160 deals, France led against the United States by 64 imps. The French players, all past or present world champions, were Christian Mari, Frank Multon, Alain Lévy, Hervé Mouiel, Paul Chemla and Michel Perron. The first four were winners of the World Olympiad Teams a year ago on the Greek island of Rhodes.

They took the lead at the start and steadily increased it. Their opponents, the reigning champions in this contest for the Bermuda Bowl, were Nick Nickell, Dick Freeman, Jeff Meckstroth, Eric Rodwell, Bob Wolff and Bob Hamman.

The United States seemed almost certain to capture the Venice Trophy for Women's Teams. The American team led China by 31 imps. The American squad consisted of Mildred Breed, Tobi Sokolow, Lisa Berkowitz, Marinesa Letizia, Jill Meyers, and Randi Montin.

In the diagramed deal, Multon for France judged well by continuing to five hearts over five clubs as shown. No doubt he judged that someone could make 11 tricks. Nobody doubled, and he quietly went down one trick after West chose to lead the club king. In the replay, the opening bid was one club. After a slow auction, Lévy was doubled in five clubs, which proved unbeatable. East maneuvered a discard of a diamond loser on the heart ace, and lost just two spade tricks. That was 12 imps to France.

In the Venice Cup final, China saved in five hearts over five clubs and was doubled for a loss of 100. The Americans were permitted to play in four hearts, making for a gain of 10 imps.

Brilliant defense can defeat four hearts. West must lead a spade, and East must continue spades when he gains the lead with the heart king. Then the defense can ruff a spade, since East has an entry with the diamond ace. This was actually achieved by the Norwegian defenders, Erik Saelensminde and Boye Brogeland, en route to a victory in the playoff for the bronze medal.

NORTH
♠ Q652
♥ QJ8
♦ J1052
♣ 72

WEST (D)
♠ 94
♥ A75
♦ 943
♣ K8653

EAST
♠ 10873
♥ K
♦ A6
♣ AQJ1094

SOUTH
♠ AKJ
♥ 1096432
♦ KQ87
♣ --

East and West were vulnerable. The bidding:

West	North	East	South
Pass	Pass	2♣	2♥
4♣	4♥	5♣	5♥
Pass	Pass	Pass	

West led the club king.

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TOMORROW: LEISURE

Paul Revere's Spoons: Separating Fake From Real

By John Noble Wilford
New York Times Service

WINTERTHUR, Delaware — If Paul Revere had made all the silver cups and spoons attributed to him, he would not have had time for his famous midnight ride.

Curators at the Winterthur Museum there repeat this wry observation out of exasperation and a sense of triumph. Exasperation over the prevalence not only of faux Revere silver but of many other misidentified and faked art and antiques on the market, even in respected collections like their own. And triumph because, with high-tech investigative methods, they are increasingly able to expose artistic impostors.

Over recent years, art and science have intersected in the back rooms of museums, and in laboratories stocked with instruments designed to probe living cells, examine mineral structures, inspect rocket parts and study Moon rocks.

As a result, the palette of art language, the talk of pigment and binder, chiaroscuro and pentimento, now includes terms from the science lexicon like X-ray fluorescence and infrared spectroscopy.

The role of scientific analysis in the art world is beginning to share a place in the public galleries. Two years ago, the Metropolitan Museum of Art in New York held an exhibition, "Rembrandt/Not Rembrandt," to show how X-ray and nuclear radiation technologies helped reveal the methods of the Dutch master, detect changes through restorations and separate real Rembrandts from the works of pupils and imitators.

At the Winterthur, a museum on the manicured grounds of a former du Pont estate that specializes in early American paintings and decorative art, curators have gone public with the fakes in their collection and examples of how they used science to find them out. Their exhibition, "Deceit, Deception and Discovery," runs through Jan. 31. They and other investigators of art fakes will describe their methods Saturday at a conference, "Scientific Analysis for Art's Sake."

"In the public mind, art and science are like oil and water — they don't mix," said Charles F. Hummel, a curator emeritus at Winterthur. "We find them a good mix, enabling us to authenticate and identify materials and also understand how to restore genuine pieces."

USING space-age technologies, for example, scientists at Winterthur have determined that in a collection of more than 1,000 silver pieces, supposedly by early American silversmiths like Revere, 76 percent of them were not genuine; most are 20th-century copies meant to deceive collectors.

They also exposed forgeries of letters by George Washington and portraits by Charles Willson Peale. That desk on which Thomas Jefferson was supposed to have written the Declaration of Independence, they discovered, was actually a replica that over the years came to be regarded as the real thing. "Deliberate faking still goes on," Dr. Hummel said, "but it's not as big a problem as the passing off of good-quality reproductions as the genuine article." In the latter case the owners, not the makers of the piece, perpetuate the fraud.

Curators and scientists are still debating the provenance of a beautifully painted chest in the Pennsylvania German style. Their examination of drill holes, nails and paint chemistry reveals that the date painted on the lid — 1792 — is undoubtedly a deception. The remaining question is whether the Himmelbergerin chest was actually made in the late 19th century or early in this century.

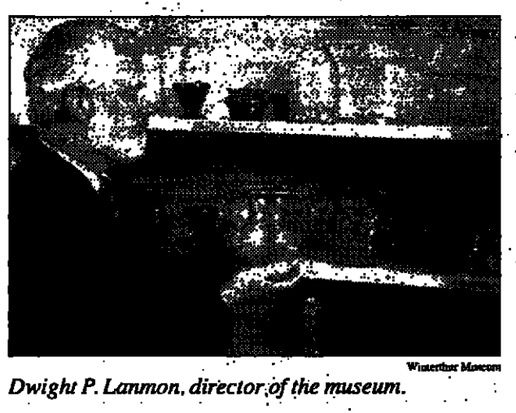
Suspicion was cast on the chest, acquired by the du Pont family in the 1920s, when experts in antiques noted a few years ago that the style of the painted decoration appeared to be 19th century. So they submitted a tiny sample of the paint to chemical analysis by an instrument known as a Fourier transform infrared spectroscope.

Bombarded with infrared light, invisible to the human eye, a sample reacts in a way that produces a computer-generated "fingerprint" of the different chemical compounds present in the object. These fingerprints are then compared with those of known compounds.

In this case, a green pigment was revealed to contain a large amount of copper stearate, a paint additive not introduced until the late 19th century.

In further tests, peg holes in the chest were X-rayed with much the same energies used in a dentist's office, and this produced the most telling evidence, recalled Gregory Landrey, Winterthur's director of conservation. The holes had been made with a type of drill not available in 1792.

And then there were the nails. "From the outside," Dr. Landrey said, "the nails looked convincing, just like wrought nails, but they were not." The nails had been made from wire, a manufacturing technique not common until the 1870s, and then hammered to look like a wrought nail used in similar chests known to be authentic 18th-century furniture.



Winterthur Museum

Dwight P. Lanmon, director of the museum.

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Hebrew Script Dated to Solomon

By Caryle Murphy
Washington Post Service

WASHINGTON — A 13-word scrap of Old Hebrew script about a payment of three shekels of silver to King Solomon's Temple in Jerusalem has been dated to sometime between the 7th and 9th centuries B.C., making the inscription the oldest non-biblical reference to the Jewish holy place ever discovered.

The conclusions, which were based on laboratory tests of the pottery shard and analysis of the ancient Hebrew scribe's handwriting, were reported in the Biblical Archaeology Review.

The pottery fragment, brought to scholars' attention by its owner, the private London collector Shlomo Moussaieff, refers to the transfer of three shekels of silver to "Beit Yahweh," which is commonly translated as "the House (or Temple) of Yahweh."

Scholars believe the note, written in ink, is an invoice or a receipt for a donation to the temple, later destroyed in 586 B.C. by the Babylonians as they forced its people into captivity.

"I think it's an extremely exciting find. The rarest of the rare," said Hershel Shanks, editor of the review. "You could count on the fingers of your hand ancient inscriptions of such importance."

"What this provides is the context for the biblical narrative," Mr. Shanks added. "It doesn't prove the Bible true, but it fleshes out the real-life world in which it was created."

Prior to this find, the earliest mention of the temple apart from biblical texts was found on a pottery shard excavated at Arad, Israel, several years ago. That was dated to the 6th century B.C.

The origin of Moussaieff's fragment is unknown, said Mr. Shanks. "No one knows or at least they are not talking," he added.

This is common on the private antiquities market, he said, noting that valuable items sometimes turn up after being stolen from excavations or illegally excavated. "I'm not sure Moussaieff knows himself" where the shard was found, Mr. Shanks said.

THE 13 words of ancient Hebrew on the piece of pottery read: "Pursuant to the order to you of Ashyahu the King to give by the hand of Zecharyahu silver of Tarshish to the House (or Temple) of Yahweh. Three shekels."

The shekel was a measure of weight equal to about 11 grams, Mr. Shanks said. Scholars are not certain where Tarshish was, but some believe it was in Spain.

The note "directs someone, who is not named, to pay silver to the temple and it's not clear if it's a receipt, or a bill, or an invoice, or a direction for payment," said P. Kyle McCarter Jr., chairman of the department of Near Eastern Studies at Johns Hopkins University and one of the scholars who has examined the piece.

Notations on pottery "was a standard way of making a quick record," added Dr. McCarter, who believes the fragment dates to the late 9th century B.C., when Joash was King of Judah.

"Joash" and "Ashyahu," Dr. McCarter explained, are common variations on the same name. Also, Joash was contemporary with a temple priest named Zechariah, he said. Indeed, Joash later had Zechariah put to death after a dispute.

Dr. McCarter said that "the writing and language and technical aspects are so well done that if the inscription is fake, the forger was extremely learned and talented."

In addition, the laboratory tests confirming the age of chemicals found on the fragment strongly suggest its genuineness, he said. "The weight of evidence is very much against this being a fake."

A Boost for Chickenpox Vaccine

By Susan Gilbert
New York Times Service

NEW YORK — For years, parents and pediatricians eagerly awaited the approval of the chickenpox vaccine in the hope of preventing a highly contagious illness that is usually uncomfortable and occasionally life-threatening. But in the two years the vaccine has been on the market, many doctors have disregarded U.S. government recommendations that most children be immunized.

Their reluctance stems from a lingering concern that the vaccine might postpone, rather than prevent, chickenpox. Most infections occur during childhood, but if the vaccine's effect wears off after many years, children might face a higher risk of getting chickenpox in adulthood, when it is most severe. Many doctors believe that children are better off getting the disease than the vaccine because the illness guarantees lifelong immunity.

But a new study tilts the argument in favor of universal vaccination. The study, followed vaccinated children for as long as 10 years and found that most did not get chickenpox during that time. More important, the study found that the risk and severity of the infection did not increase over time.

"If I had shown that breakthrough cases were getting more severe over 10 years, there would have been an argument against vaccination," said Dr. Candice Johnson, the lead author and an associate chief of general pediatrics at Children's Hospital in Denver. "But, in fact, there was no trend toward worsening or frequency of cases."

The study appears in the journal Pediatrics and was financed partly by Merck Research Laboratories, part of Merck & Co., which makes the chickenpox vaccine.

Dr. Johnson warned, however, that the success of the vaccine hinges on nearly universal immunization. If 97 percent of children were vaccinated, chickenpox would be eradicated in 30 years, according to an estimate cited in the study. But if just 70 percent of children were vaccinated, the estimate is that more people would have a greater risk of getting chickenpox as adults.

THOSE at risk include anyone who has never been vaccinated and vaccinated children who have not had booster shots, Dr. Johnson said, because the vaccine's effectiveness would probably diminish after a decade.

The findings are unsettling news, because vaccination rates for chickenpox are very low. Though there are no figures for all children, the Centers for Disease Control and Prevention estimates that fewer than 20 percent of 2-year-olds received the vaccine in 1995 and 1996.

The center recommends that all babies 12 months to 18 months old be immunized against chickenpox and that older children who have not had the disease be vaccinated before age 13.

Southern Africa Trade & Investment Summit

Botswana, November 18-19, 1997

President Ketumile Masire and fellow heads of state from the region will lead discussions at the International Herald Tribune's third Southern Africa Trade & Investment Summit to be held in Gaborone on November 18-19. The Presidents will be joined by business and finance leaders from the region, as well as renowned international figures and senior representatives from some of the world's leading companies currently investing in Southern Africa.

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ACROSS
1 Author Rona
6 Hits with a stun gun
10 Saudi or Iraqi
14 Sleep spoiler
15 Its motto is "Industry"
16 "—— Smile" (1976 hit)
17 Postgame activity
18 Off one's rocker
19 Porn
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23 Trophy locale
24 Spasms
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31 Montreal club
32 Indiana's state flower
33 Col. Sanders's place
36 Top of the heap
37 Gives notice
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39 Put one past
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55 Bedevils, in a way
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59 Wind, so to speak
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DOWN
1 Crock
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6 Bantu tribesman
7 Riding
8 Concordat
9 Turns a maxi into a midi
10 Underwrite
11 Ex-Green Beret of film
12 As —— (usually)
13 College in Lewiston, Me.
21 Red Cross workers, briefly
22 "Whatever will I do?"
25 C&W's McEntire
26 Board member, for short
27 —— dixit
28 Words before "about" and "at 'em"
29 Rocks ahead
30 Actress Blakley
33 "The People's Court" judge, now
34 Stew
35 He ran against Taylor, 1848
37 Completely sold on
38 Bigwig
40 Highlander
41 Speech enliveners
42 Rushlike plants
43 Rye, e.g., Abbr.
44 More adept
45 A, B or C
46 Fab Four name
49 Be hopping mad
50 Nasty sort
51 Manipulates
52 Ike's ex
53 Spot in the Senate
57 Promoters: Abbr.

Puzzle by Nancy Salomon

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Solution to Puzzle of Nov. 5

L	A	P	D		C	P	A	S		C	O	B	R	A
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Continued on Page 16

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Top Banker Turns Grim On Japan

Matsushita Now Detects No Sustainable Recovery

By Velisarios Kattoulas
International Herald Tribune

TOKYO — The chief of the Japanese central bank downgraded his assessment of the economy Wednesday, saying it had suffered a "profound and long-lasting" blow from tax increases in April and been in a "phase of slowdown" ever since.

For the first time, Yasuo Matsushita, the governor of the Bank of Japan, said he did not see the economy "consistently maintaining a sustainable recovery," although he stopped short of predicting another recession.

The central banker's turnabout coincided with two other pieces of unpleasant news for the economy: a decision by Japan's biggest car company, Toyota Motor Corp., to halt production in Thailand, where it has invested heavily and is the biggest carmaker, and the publication of a Japanese government survey showing that gloom at small companies was rising.

After weeks of grim economic reports, analysts said the sign of dwindling confidence at the central bank had increased pressure on Prime Minister Ryutaro Hashimoto to take steps to bolster the economy.

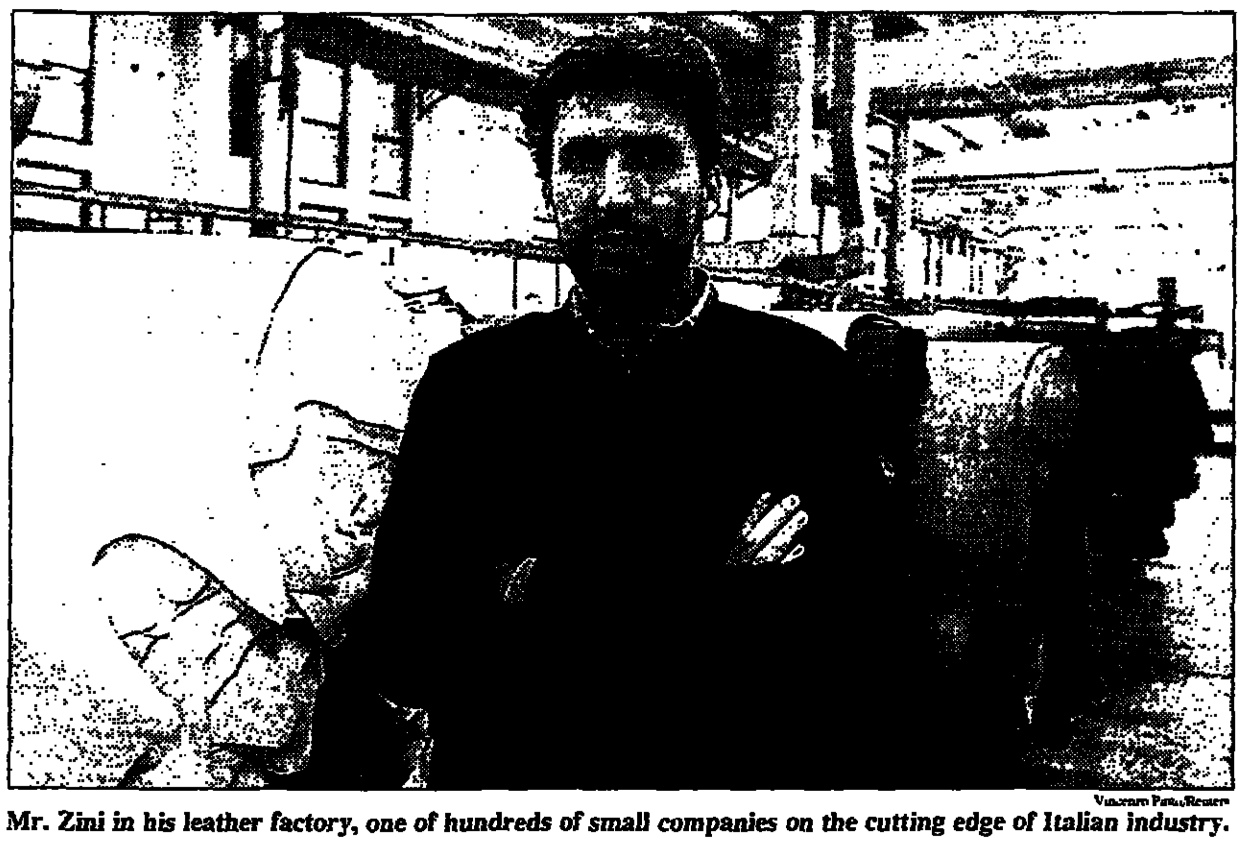
Many private economists expect Japan's gross domestic product to grow by less than 1 percent this year and no more than 2 percent in 1998.

"His chief job is economic cheerleader," said John Neuffer, senior research fellow at Mitsui Marine Research Institute, an affiliate of a major insurance company. "He needs to instill confidence in the financial markets and the people that he knows what he's doing."

Members of the governing Liberal Democratic Party have accused Mr. Hashimoto of doing too little to help the economy. Half of the seats in the 252-seat upper body of the Diet are at stake in an election next summer, and many party members support stimulative measures such as tax cuts and increases in public spending. Business leaders and financial markets have pushed for similar measures.

But Mr. Hashimoto, under a cloud since he briefly included a convicted bribe-taker in his cabinet this year, has made cutting the budget deficit a pillar of his economic policy. Cutting taxes or increasing spending would represent an embarrassing about-face. All the same, analysts expect him give in to pressure and announce measures to invigorate the economy as early as this month.

See JAPAN, Page 14



Vincenzo Pinto/Reuters
Mr. Zini in his leather factory, one of hundreds of small companies on the cutting edge of Italian industry.

Enterprise Belt Pulls Italy Into Europe

By Lee Hockstader
Washington Post Service

ZERMEGHEDO, Italy — There's not a cow in sight, not even a leather bar, but if any place can be called the rawhide capital of the Western world, this must be it.

In a small valley in northern Italy, around 600 tanneries, most of which employ just a few dozen workers, produce 40 percent of Europe's leather supply and about 8 percent of the world's.

"The European market is now in our hands," said Luca Zini, the American-educated sales manager of a tannery founded by his father and uncle. "We have no real competition elsewhere. The competition is all right here."

This region around the city of Vicenza doesn't just soak, dye, stretch, stamp, cut and ship the material used for Nike sneakers, Gucci handbags, BMW car seats and Louis Vuitton luggage. As a major manufacturer of machine tools, gold chains, clothing and other goods, many of them for export, it is also a showcase for Italian industry and the backbone of the country's economy.

These days it is also leading Italy's rush into what's known here simply as "Europe" — shorthand for the coming unification of many of the European Union countries' major currencies. In the process, the region that did much to transform and enrich Italy's economy in the last few decades is hoping for a similar revolution to reshape Rome's attitude toward business and propel the country into the 21st century.

That revolution may already be under way. With a swiftness that has stunned most of Europe, Italy — with the world's fifth-largest economy — has gone from laughingstock to long shot to a likely candidate to join the single European currency, the euro, at its introduction in 1999.

It has achieved this in barely two years with a mixture of a special "euro tax" and budget cuts designed to bring a semblance of order to the public finances of a country that for decades was known for its lack of fiscal discipline. Inflation is now running at just 1.6 percent, less than in Germany.

Such an austerity program would have been more than enough to topple most of Italy's 55 previous postwar governments if any had dared try such a thing, which they did not. But the government of Prime Minister Romano Prodi has managed to get most Italians to grit their teeth, accept the belt-tightening — and even like it a little.

"There is a fundamental consensus in the Italian political class and other elites that the answer for Italy is to enter into Europe," said Franco Pavoncello, a political scientist at John Cabot University in Rome. "It's seen as the anchor to which the Italian political and economic system can latch itself to get a sense of direction."

Nowhere is that more true than here

See LEATHER, Page 17

EU Bank Dispute Casts France as an Outsider

Compiled by Our Staff From Dispatches

PARIS — France appeared isolated Wednesday after angering many of its European partners by insisting that the head of France's central bank be appointed as head of the future European central bank.

European Union finance ministers clashed over the issue as they met in Brussels, and Germany's finance minister angrily denied suggestions that Bonn and Paris had secretly agreed to give a Frenchman the post.

President Jacques Chirac of France and Chancellor Helmut Kohl of Germany met for an hour Wednesday in Paris and agreed to hold further talks on the subject in coming days and weeks, a spokeswoman for Mr. Chirac said Wednesday night.

The spokeswoman, Catherine Colonna, said Mr. Kohl had made no specific comments during his talk with Mr. Chirac about France's nomination of Jean-Claude Trichet, governor of the Bank of France, for the top job at the European central bank. She said only that the two leaders had agreed to discuss the matter further.

She said Mr. Chirac had notified Mr. Kohl of his decision to nominate Mr. Trichet shortly before it was announced Tuesday. Mr. Chirac told the German chancellor that the decision "corresponds to our countries' interests," she said.

Mr. Kohl was due to hold talks later with France's prime minister, Lionel Jospin.

The worsening dispute shattered several months of harmony between EU governments on the single currency and overshadowed a special finance ministers' meeting called to discuss remedies to the EU's double-digit unemployment rate.

As he entered the meeting in Brussels, Theo Waigel, Germany's finance minister, was asked by journalists whether Germany had supported France's nomination of Mr. Trichet. He replied, "No."

He was speaking shortly after France's junior minister for European affairs, Pierre Moscovici, said in Paris that it would be "natural" for the first head of the European central bank to be a Frenchman.

The president of the European central bank will be picked during or shortly after the EU leaders vote May 2, 1998, on which countries will be eligible to join the euro. The bank is to set a common interest rate for all euro countries as of Jan. 1, 1999.

Most other EU governments, including Germany's, see the post going to Wim Duisenberg, the current head of the bank's forerunner, the European Monetary Institute.

The dispute pits Gallic pride against German determination. The French want to be seen as equal financial partners in a united Europe, while Germany insists that the euro be as solid as the Deutsche mark, the symbol of Germany's postwar economic miracle.

Germany has prevailed in most previous disputes with its EU partners over monetary union, insisting on adherence to strict budgetary and fiscal criteria for those who join the project.

Bonn pushed for the European central bank to be located in Frankfurt, seat of the powerful German central bank, and it wants to make sure the European bank is as independent of political pressure as the Bundesbank in setting monetary policy, especially to control inflation.

France's central bank, on the other hand, historically has been more responsive to political pressure, easing up on interest rates or money supply, for example, when the economy needs jump-starting. As a result, the value of the French franc has tended to fluctuate more than that of the Deutsche mark.

(Reuters, Bloomberg, AP, AFP)

Asia Is Warned on Rigidity Over Rates

Bridge News

WASHINGTON — Lawrence Summers, the deputy secretary of the Treasury, warned Wednesday that a "rigid" adherence to foreign-exchange rates could invite "disaster" for countries with unsustainable current-account deficits and weak financial systems.

In remarks to the Japan Society in New York, Mr. Summers also advised countries not to pursue expansionary economic policies to offset the adverse effects of financial problems after market turbulence.

An expansionary policy "risks excessive currency depreciation and consequent damage to the financial system," Mr. Summers said.

He added that, after the financial market turbulence in Asia, it was worth exploring regional "surveillance arrangements" in which countries would encourage their neighbors and trading partners to maintain financial stability.

But he also warned of the risks of "financial regionalism" during crises, saying that such an approach could reduce funds available to deal with troubles and encourage the emergence of blocs.

For that reason, he said, the United States believes that the International Monetary Fund must play a central role in dealing with financial crises.

The issue will be discussed at a meeting this month with deputy finance ministers in Manila, he said.

Although capital flows to developing nations create the potential for improved growth and living standards, Mr. Summers said, "If we are to see this potential realized, it will be critical to ensure that these flows of capital are as sustainable as they have been strong."

Regarding the issue of fixed exchange rates, he said the financial troubles in Mexico in late 1994 as well as in Thailand and other Southeast Asian countries in recent months had shown that "in the presence of unsustainable current-account deficits and a weak and overextended financial system, rigid adherence to a particular exchange rate invites disaster."

As Washington Makes Decisions Lately, It's Almost Always Summers Time

By David E. Sanger and Louis Uchitelle
New York Times Service

WASHINGTON — At times in the last few weeks, it has seemed as if the hand and mind of Lawrence Summers could be found lurking beneath the surface of just about every tangled problem facing the White House.

When President Bill Clinton finally declared a position on global warming last month, Mr. Summers, the deputy Treasury secretary, led the economic camp that won the day over the

INTERNATIONAL MANAGER

State Department and the Environmental Protection Agency, scaling back U.S. commitments on its emission of pollutants.

He did it with detailed arguments about the potential — and unknowable — costs to U.S. industry if Mr. Clinton committed to aggressive targets, with no escape clauses.

But a day later, it was Mr. Summers's turn to lose a battle. The former economics professor, now one of the more influential voices in the administration, and his boss, Treasury Secretary Robert Rubin, badly misjudged the political landscape.

For months, Mr. Summers headed the Treasury Department's effort to rescue the Internal Revenue Service from itself. He was so caught up in internal fixes that he underestimated the effectiveness of a carefully orchestrated Republican onslaught to loosen the Treasury's hold over the service.

Facing overwhelming pressure from both parties, Mr. Rubin and Mr. Summers were forced to accept an oversight board to supervise the agency.

The IRS battle was remarkable because in Washington these days, Mr. Summers rarely loses — or even gives much ground. Once the youngest academic ever to receive tenure at Harvard University, at age 28, he has turned into one of Washington's shrewdest political infighters.

Rarely do economists make the transition from university life to government as successfully as the 42-year-old Mr. Summers has.

Indeed, no one else in his generation has been in Washington for as long, or in a series of such high-profile posts.

Agence France-Presse
Lawrence Summers, all smiles lately.

Along the way, he has bruised more than a few egos, from Republican members of Congress who complain that they have been lectured on economic principles as if they were classroom dullards, to administration colleagues who have felt some sharp bureaucratic elbows.

In recent months, as Mr. Summers's authority and world view have expanded, he has clearly tried to tone down.

"I've learned that being precisely analytically accurate is neither necessary nor sufficient for being constructive in Washington's debates," he said recently.

"After being a professor of political economy, I guess now I'd give more weight to the political than to the economic than when I first got here."

It has been an uneven transition. He was the principal architect of the successful 1995 bailout of Mexico — but he was also a lightning rod for Congress's anger about the use of $12 billion in U.S. funds, all of which has been repaid.

"Congress did not want to approve so huge a loan and then take the blame if Mexico failed to repay and Larry became an excuse for saying no," said a Democratic congressional aide involved in the negotiations.

"He was insensitive to the political issue at stake. He told the members they had to approve the bailout; they had no choice. Well, members of Congress always have a choice."

In the end, the president made the loan on his own authority.

In the last few weeks, Mr. Summers has devoted most of his time to the administration's efforts to contain the economic crisis in Southeast Asia.

Mindful of the sensitivities in Congress, though, he made sure this time that the International Monetary Fund took the lead and that the U.S. exposure was limited to $3 billion in a "second line of defense" for Indonesia.

Nonetheless, some colleagues back in academia warn that austerity measures that worked in Mexico may not fit the problems of Southeast Asian economies.

Often he has been called in to play the heavy. When the IMF was blanching in August at forcing Thailand to disclose fully its key financial transactions, Mr. Summers forcefully reminded officials at the fund that Washington could still pull the plug on the aid package for Bangkok. The IMF backed down.

And Mr. Summers is never far from the levers of power. When Mr. Rubin and Alan Greenspan, chairman of the Federal Reserve Board, have their weekly breakfast, he is the only other person present — and he often does much of the talking.

The issue now is where Mr. Summers is headed. There is no question he is eager to break out of Mr. Rubin's long shadow: He angled, unsuccessfully, for the presidency of the World Bank. (The job went to the financier James Wolfensohn.)

He also considered becoming chairman of the Council of Economic Advisers this year (plenty of academic prestige, he decided, but not enough influence), and he was judged too confrontational to become the consensus-seeking head of the National Economic Council.

Many consider him a contender to become the next Treasury secretary, should Mr. Rubin decide to return to New York before the end of the current term. Mr. Rubin is among Mr. Summers's boosters.

"He has an incredibly sensitive political mind, as well as being a brilliant economist," said Mr. Rubin, who first met his deputy when they worked on the failed 1988 presidential campaign of Michael Dukakis.

"He is extraordinarily equipped to function at the intersection of economics and political reality." Should Mr. Rubin decide to call it quits, however, there are other contenders to become the next Treasury secretary, including Franklin Raines, the director of the Office of Management and Budget.

And there are still questions — uttered off the record — about whether Mr. Summers's sometimes impolitic style could prevent him from moving to the other side of the elegant suite he shares with Mr. Rubin.

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Brussels	35.79	59.685	20.6275	6.1615	2.1059*	18.3015	—	25.28	0.2912	25.61	24.4075*
Frankfurt	1.7383	2.9058	—	0.2985	0.1021*	0.8873	4.8483*	1.2253	1.4115*	1.2382	1.1845*
London (a)	1.6755	—	2.8872	9.6898	2,827.15	3.2544	59.5573	2.357	205.359	2.3453	243.753
Madrid	145.519	244.582	84.438	25.205	8.619*	74.916	4.0859	103.56	116.68*	104.401	—
Milan	1,684.21	2,837.80	979.71	292.45	—	869.23	47.59	1,201.57	13.791	1,211.45	11.603
New York (b)	—	1.6813a	1.7173	5.7535	1,683.00	1.9350	35.43	1.4045	122.855	1.401	146.03
Paris	5.7932	9.7035	3.3501	—	0.3419*	2.9723	0.1624	4.3807	4.7157*	4.1425	3.9675*
Tokyo	122.80	204.78	70.71	21.11	0.722	61.14	3.4089	86.80	—	87.54	0.8371
Toronto	1.4002	2.3491	0.8123	0.2425	0.083*	0.7280	0.3979*	0.9958	1.14*	—	n.q.*
Zurich	1.4084	2.359	0.8166	0.2437	0.0833*	0.7242	3.9576*	—	1.1460*	1.0059	0.9469*
1 ECU	1.1398	0.6805	1.9711	6.6031	1,931.06	2.2216	40.6537	1.4071	140.824	1.594	166.422
1 SDR	1.3782	0.8209	2.3847	7.9843	2,334.97	2.6863	49.1825	1.9467	168.212	n.q.	201.234

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	271.12	Mex. peso	8.16	S. Afr. rand	4.817
Australian $	1.4227	Hong Kong $	7.7295	N. Zealand $	1.6005	S. Kor. won	969.50
Austrian sch.	12.162	Hung. forint	194.66	Norw. krone	7.048	Swed. krona	7.5225
Brazil real	1.0988	Indian rupee	36.35	Phil. peso	34.68	Taiwan $	30.45
Chinese yuan	8.3126	Indo. rupiah	3270.00	Polish zloty	3.44	Thai baht	38.85
Czech koruna	32.76	Irish £	0.6689	Port. escudo	176.18	Turkish lira	182840.
Danish krone	6.5727	Israeli shek.	3.5389	Russ ruble	5889.00	UAE dirham	3.671
Egypt. pound	3.4025	Kuw dinar	0.303	Saudi riyal	3.75	Venez. boliv.	498.70
Fin. markka	5.197	Malay. ring.	3.2877	Sing. $	1.567		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6726	1.6707	1.6685	Japanese yen	122.34	121.81	121.27
Canadian dollar	1.3975	1.3955	1.3935	Swiss franc	1.4087	1.4082	1.4077
Deutsche mark	1.7256	1.7229	1.7200				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Nov. 5

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅝ - 5¾	3⅜ - 3½	1⅛ - 1¼	7¼ - 7⅜	3½ - 3⅝	⅜ - ½	4½ - 4⅝
3-month	5⅝ - 5¾	3⅝ - 3¾	2 - 2⅛	7 5/16 - 7 7/16	3½ - 3⅝	⅜ - ½	4 11/16 - 4⅞
6-month	5¾ - 5 13/16	3 11/16 - 3 13/16	1 15/16 - 2 1/16	7⅜ - 7½	3 11/16 - 3 13/16	7/16 - 9/16	4¾ - 4⅞
1-year	5 13/16 - 5 15/16	4 1/16 - 4 3/16	2⅛ - 2¼	7⅜ - 7½	4 - 4⅛	½ - ⅝	4 13/16 - 4 15/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

	Close	Prev
United States		
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5 9/16	5½
90-day CDs dealers	5.68	5.67
180-day CP dealers	5.55	5.55
3-month Treasury bill	5.12	5.11
1-year Treasury bill	5.15	5.16
2-year Treasury bill	5.70	5.71
5-year Treasury note	5.83	5.83
7-year Treasury note	5.89	5.90
10-year Treasury note	5.93	5.94
30-year Treasury bond	6.24	6.25
Merrill Lynch 30-day RA	5.09	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.46	0.43
1-month interbank	0.46	0.46
3-month interbank	0.47	0.47
6-month interbank	0.49	0.49
10-year Govt bond	1.79	1.81
Germany		
Lombard rate	4.50	4.50
Call money	3.45	4.45
1-month interbank	3.53	3.53
3-month interbank	3.72	3.72
6-month interbank	3.85	3.85
10-year Bund	5.61	5.59
Britain		
Bank base rate	7.00	7.00
Call money	7 5/16	7 5/16
1-month interbank	7 5/16	7 5/16
3-month interbank	7⅜	7⅜
6-month interbank	7½	7 9/16
10-year Gilt	6.58	6.57
France		
Intervention rate	3.30	3.30
Call money	3 5/16	3⅛
1-month interbank	3⅜	3 7/16
3-month interbank	3½	3 9/16
6-month interbank	3 11/16	3¾
10-year OAT	5.63	5.61

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	313.40	+2.10
London	314.60	313.50	+1.85
New York	314.60	314.50	−0.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

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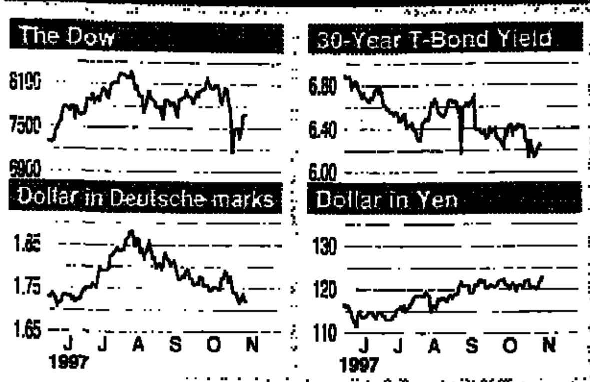


Exchange	Index	Wednesday @4PM	Prev. Close	% Change
NYSE	The Dow	7692.57	7689.13	+0.04
NYSE	S&P 500	942.54	940.76	+0.19
NYSE	S&P 100	897.39	897.16	+0.03
NYSE	Composite	495.77	494.06	+0.35
U.S.	Nasdaq Composite	1637.33	1631.04	+0.39
AMEX	Market Value	690.35	688.37	+0.29
Toronto	TSE Index	6864.48	6838.20	+0.38
São Paulo	Bovespa	9988.37	10254.84	-2.59
Mexico City	Bolsa	4810.48	4986.02	-3.53
Buenos Aires	Merval	677.17	703.55	-3.75
Santiago	IPSA General	5092.14	5076.87	+0.32
Caracas	Capital General	9772.32	9594.84	+1.86

Source: Bloomberg, Reuters — International Herald Tribune

Stocks Rise as Investors Hunt for Earnings Potential

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Wednesday as investors bought shares in companies most likely to post strong results.

Drug, technology and smaller issues led gains in trading that was marked by optimism that a slowdown in overseas economies would not drag U.S. companies down as much as was feared last week.

"We feel very comfortable that the U.S. economy will continue to grow and that really things haven't changed that much," said Richard Jandrain, chief equity investment officer at Banc One Investment Advisors.

The Dow Jones industrial average rose 3.44 points to close at 7,692.57 after trading above its close of 7,715.41 on Oct. 24, the last trading day before the index posted a 554-point drop on Oct. 27.

The broader market also edged up, with the Standard & Poor's 500-share index gaining 1.78 points to 942.54. Gaining issues outnumbering losing ones by a 4-to-3 ratio on the New York Stock Exchange.

Among the rising drug stocks were Eli Lilly, which rose ⅞ to 67¼, and Pfizer, which closed up 2 at 73⅞.

"If you want good, steady and predictable earnings, that is the place to look," Mr. Jandrain said of drug stocks.

Cisco Systems led the technology sector higher, rising 2 to 85 7/16 after it said late Tuesday that strong

U.S. STOCKS

demand for new products helped lift its first-quarter profit 86 percent.

The technology-heavy Nasdaq composite index closed up 6.18 points at 1,637.33.

But Intel, the most actively traded U.S. stock, fell 1 5/16 to 74⅜. The company said it planned to invest more than $400 million in Malaysia.

Small stocks gained on expectations for those companies to post the fastest earnings growth in the months ahead. Small companies also tend to have less exposure to overseas economies.

"The market's leadership is shifting to small-caps," said Annette Geddes at Spears Benzak Salomon & Farrell. "They'll have stronger earnings growth, while at the same time the growth rates for larger companies are slowing."

The Russell 2000 Index, whose average company is valued at $395 million compared with $5.6 billion for companies in the S&P 500, rose 2.45 points, to 444.76. Air Express International and Jacor Communications led the gains.

In the Treasury bond market, prices were lifted by strong demand for the $11 billion in new 10-year notes the government sold Wednesday. Analysts said the demand set a positive tone for the Treasury's sale of 30-year bonds Thursday. The sales are part of the Treasury's quarterly refinancing operation.

The price of the benchmark 30-year issue closed up 9/32 point at 101 30/32, taking the yield down to 6.24 percent from 6.25 percent Tuesday.

"Once we get through the auctions, yields are headed lower," said Kevin McClintock at Dreyfus Corp. *(Bloomberg, AP)*

Japan's Economic Outlook Lifts Dollar

Bloomberg News

NEW YORK — The dollar rose against the yen Wednesday after Japan's central bank governor said the economy was not achieving sustainable growth and suggested that interest rates were likely to remain low.

"Everybody is as bearish on the yen as they can be," said Richard Koss, investment strategist at MFR Inc., a fund-management company.

Japan's continuing troubles — its economy shrank 2.9 percent in the second quarter — have led traders to conclude that "Japan is more willing to

FOREIGN EXCHANGE

see the yen weaken," said Chris Iggo, currency strategist at Barclays Bank.

A falling yen helps the Japanese economy by making exports cheaper in foreign-currency terms. Exports have been the economy's sole source of strength in recent months.

The dollar rose to 123.055 yen in late trading from 122.065 yen Tuesday.

The dollar, however, gave up early gains against the Deutsche mark on profit-taking, traders said.

The dollar rose after the German government reported that unemployment rose to a record high in October and industrial production fell 1.6 percent in September.But the U.S. currency slipped to 1.7173 DM in 4 P.M. trading from 1.7235 DM on Tuesday. It also fell to 5.7535 French francs from 5.7713 francs but rose to 1.4045 Swiss francs from 1.4040 francs. The pound rose to $1.6813 from $1.6757.

The mark was underpinned by concern about Southeast Asia's economic turmoil. The mark is seen as a haven from Asia's difficulties because its economic ties to the region are weaker than those of the United States.

Brazil Group Spends $2.74 Billion for Utility

Bloomberg News

SAO PAULO — The state of Sao Paulo sold control of a regional electric company Wednesday to a Brazilian investment group for 3.01 billion reals ($2.74 billion) in a key test of investor confidence a week after the nation's markets were roiled by devaluation concerns.

A group led by the Votorantim group, Banco Bradesco SA and Camargo Correa SA won the bidding for a controlling stake in Cia. Paulista de Forca & Luz, the smallest of three utilities that the state government is due to auction off over the next several months.

"I was bullish on the auction, and this is even better," said Charles Barnett, an analyst at ING Barings in Sao Paulo. "This is very positive for CPFL and for the sector and gives a vote of confidence in Brazil."

The group, called VBC Energia SA, paid 62 percent more than the state-set floor price of 1.86 billion reals for a 30-year renewable concession. Sao Paulo's utilities are considered the crown jewels among an estimated $50 billion in power companies that Brazil plans to privatize.

Very briefly:

- **Consolidated Stores Corp.** plans to buy **Mac Frugal's Bargain Close-Outs Inc.** for as much as $995 million in stock to create a nationwide chain of discount stores.
- **The Securities and Exchange Commission** accused a former compliance officer for **Bankers Trust Securities Corp.**, Alan Stricoff, his brother and three others of making $458,200 on illegal insider trading related to **ITT Corp.**'s tender offer for **Caesars World Inc.** in 1994.
- **Seagram Co.**'s first-quarter profit fell 20 percent, to $133 million. A one-time gain lifted earnings in the year-earlier period.
- **Air Canada**, as part of a plan to expand its international traffic, signed a contract to buy eight wide-body jets from Europe's **Airbus Industrie**. The price was not disclosed; the planes are valued at $1 billion, but airlines usually receive a discount from manufacturers.
- **Rockwell International Corp.**'s fourth-quarter profit rose 12 percent, to $109 million, reflecting a 33 percent earnings rise for its Avionics & Communications unit.
- **CNA Financial Corp.**'s third-quarter earnings fell 25 percent, to $121 million, as growing competition among commercial property and casualty insurers offset benefits from milder weather. *Bloomberg, AP*

Buffett Bets on Bonds — and Wins

Bloomberg News

NEW YORK — Warren Buffett has made a tidy profit in bonds. Over several weeks in August, Mr. Buffett's company, Berkshire Hathaway Inc., bought zero-coupon Treasury bonds with a face value of about $10 billion for $2 billion, according to Wall Street companies familiar with the purchases.

Although it is not known if Mr. Buffett has sold any of the bonds since August, any that would still be on the company's books would be showing handsome gains. Zero-coupon bonds soared along with other Treasuries recently, as tumbling stocks drove investors to the safety of U.S. government debt.

JAPAN: *Banker Turns Gloomy*

Continued from Page 13

For months, Mr. Matsushita, the central bank governor, had steadfastly maintained that the economy would stage a modest recovery despite tax increases in April. But he changed tack in a speech Wednesday to the Research Institute of Japan.

"Because of a significant rise in demand ahead of the consumption tax increase, its impact was profound and long-lasting," he said, explaining the sharp drop in consumer spending since the national sales tax was raised to 5 percent from 3 percent in April. "Since April our economy has continuously been in a phase of slowdown.

"The Bank of Japan does not see the economy consistently maintaining a sustainable recovery."

Separately, Small Business Finance Corp. said smaller Japanese businesses were increasingly gloomy about the economy and their prospects because of the weak consumer spending. For the first time since April, more than half of the 900 companies that the government institution surveys reported that they expected sales to fall in this quarter from the previous one.

"The business outlook of small and midsized companies is becoming increasingly sluggish," the corporation, which lends to such companies, said.

Meanwhile, Toyota said it would halt production at its two plants in Thailand at least until the end of the year.

"The market slump there has been getting serious," a company representative said. "We hope to resume production next year, but it depends on the market."

Toyota has no plans to lay off any of its 4,700 employees at the plants, she added.

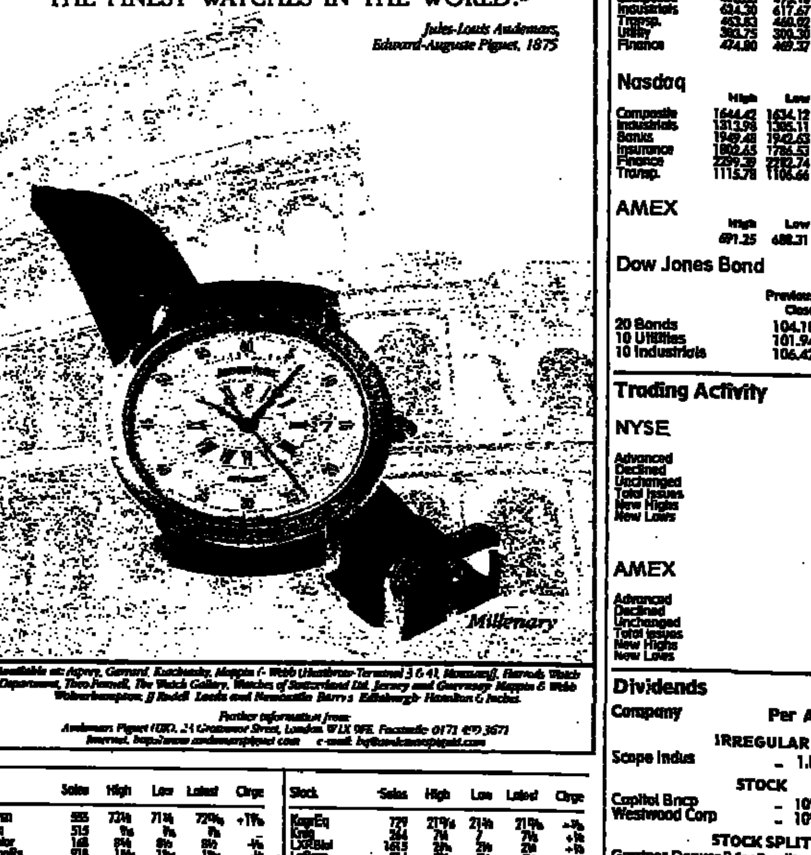
The biggest carmaker in Thailand, with 30 percent of the market, Toyota is the latest Japanese automaker to be hit by the downturn there. Nissan Motor Co. and Mitsubishi Motors Corp. have suspended or reduced output at several of their Thai plants.

Analysts voiced concern about how long the plant shutdowns would last. "A production correction has just started," Noriyuki Matsushima of Nikko Research Center told Reuters.

AMEX

Wednesday's 4 P.M. Close
The 300 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]



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U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7708.53	7765.75	7664.57	7692.57	+3.44
Trans	3197.21	3227.77	3182.61	3207.31	+5.68
Util	244.45	245.31	244.32	244.70	-0.27
Comp	2512.30	2532.21	2502.95	2512.39	+1.55

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1097.20	1087.65	1096.60	1098.12
Transp.	683.81	671.86	676.65	674.56
Utilities	208.40	207.34	208.24	207.23
Finance	112.62	111.15	112.48	113.18
SP 500	941.40	932.66	940.76	942.54
SP 100	898.66	890.51	897.20	897.40

NYSE

	High	Low	Last	Chg.
Composite	498.36	492.10	495.77	+1.71
Industrials	624.20	617.67	620.87	+1.73
Transp.	463.83	460.82	461.91	+0.17
Utility	303.75	300.30	301.88	+1.21
Finance	474.80	469.37	472.52	+2.69

Nasdaq

	High	Low	Last	Chg.
Composite	1644.42	1634.12	1637.33	+6.18
Industrials	1313.98	1305.11	1311.47	+10.48
Banks	1949.48	1942.63	1944.60	+0.89
Insurance	1802.65	1786.53	1796.82	+5.06
Finance	2299.39	2282.74	2296.09	+16.98
Transp.	1115.78	1108.66	1115.54	+10.26

AMEX

High	Low	Last	Chg.
691.25	688.31	690.35	+1.98

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.18	104.30
10 Utilities	101.94	102.16
10 Industrials	106.42	106.44

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
WasteMInc	121739	26⅛	24⅝	25¾	+1⅛
Compaq s	76371	69	66¼	66⅞	-1⅞
CoMCA	52959	30⅛	29⅞	29¾	+1⅛
GenElec s	51945	70	69⅛	69⅝	+⅝
Boeing s	50608	47⅝	45⅞	46½	-⅜
TelBrasl	46684	114⅞	107⅛	107⅞	-4⅜
US Filter	44585	35⅛	33½	34⅛	+1⅜
BenckRty	44274	11⅛	11	11	[illegible]
Merck	40941	88⅞	87½	87⅝	-⅞
PhilMor s	40487	42¼	41⅜	41½	-⅜
Sears	37466	47¾	46¾	47⅛	+1
AT&T	37254	49⅛	47⅞	48⅛	-1⅛
GoodrPet	36179	1⅝	1½	1⅝	+⅛
Chryslr	35866	35⅛	34⅞	35⅛	-⅜
Cnplvsn	35853	3⅝	3⅛	3½	-⅛

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	253632	77	74⅛	74⅜	-1⅝
OxfordHlt	160989	25⅜	23⅜	23½	-1⅞
ApldMat s	153048	40⅛	37½	38⅞	+1⅛
Cisco	134295	86¾	84⅝	85⅝	+2⅛
RainSft	88615	11⅞	9⅞	11⅞	+1⅞
Biocryst	87532	⅝	½	½	[illegible]
DellCpt s	74811	86⅛	83⅛	83⅝	-2⅝
3Com	58680	45	42½	43⅞	-⅝
Ascend	57173	26½	25⅛	26	+⅝
Microsft s	53127	134⅛	132½	133⅛	-⅝
WorldCm	51276	35⅛	34⅛	34⅝	-⅝
PetsMart	46628	6⅞	6⅞	6⅞	-⅛
S3 Inc	46090	8	7½	7⅞	+⅝
Qualcom	45969	67⅜	62⅛	65½	+2¼
ExclSwt n	43723	27⅛	24	24½	—

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	46451	95⅞	93⅞	94⅛	+⅛
EchoBay	19138	4⅛	3⅞	3⅞	-⅜
BayardD n	15387	27⅞	26⅛	27⅛	-⅜
ViacB	8083	31½	30⅛	31⅛	+⅜
Hasbro s	7591	30⅜	29⅝	30⅛	+⅜
XCL Ltd	6703	⅜	[illegible]	[illegible]	[illegible]
GreyWolf	6674	9⅞	8⅞	9½	+⅝
GolfTrst n	6166	26⅛	25⅝	26	[illegible]
TuboMax	5949	22⅛	21⅛	21⅜	-⅝
Nabors	5883	46	44½	45⅛	+⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1694	1537
Declined	1208	1385
Unchanged	532	499
Total issues	3434	3421
New Highs	130	110
New Lows	18	17

Nasdaq

	Noon	Prev.
Advanced	2007	1979
Declined	1611	2238
Unchanged	1930	1515
Total issues	5548	5732
New Highs	92	140
New Lows	66	42

AMEX

	Close	Prev.
Advanced	298	307
Declined	276	271
Unchanged	161	165
Total issues	735	743
New Highs	15	12
New Lows	9	7

Market Sales

	Today 4:00	Prev. cons.
NYSE	555.36	638.81
Amex	25.08	34.95
Nasdaq	621.99	631.02

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Scope Indus	-	1.00	12-1	1-5
STOCK				
Capitol Bncp	-	10%	12-1	12-15
Westwood Corp	-	10%	12-1	12-22
STOCK SPLIT				
Gardner Denver 3 for 2 split.				
NCO Group 3 for 2 split.				
INCREASED				
Community Tr Bcp	Q	.20	12-15	1-1
Hanna MA	Q	.1125	11-26	12-12
Macerich Co	Q	.46	11-21	12-9
Newcourt Cred	Q	.04	11-17	11-28
Patriot American	-	.32	12-26	1-30
Utd Fnd MN	Q	.25	11-10	11-24
WesterFed Fncl	Q	.115	11-7	11-21
SPECIAL				
Metallurg Inc	-	3.90		
INITIAL				
Rockwell Intl n	-	.255	11-17	12-8
REGULAR				
BlckRck Broad	M	.075	11-14	11-28
Cinn Milacron	Q	.12	11-28	12-12
Coachmen Indus	Q	.05	11-20	12-11
ECI Telecom	Q	.05	11-14	11-27
Elbit Syst	Q	.05	12-22	1-5
Fst Fncl Bks	Q	.25	12-15	1-2
Freeport Mc	Q	.09	11-14	12-1
General Binding	Q	.11	11-21	12-15
Gold Banc	Q	.03	11-14	12-15
Haggar Corp	Q	.05	11-3	11-17
Harveys Casino	Q	.05	11-17	12-1
Heritage US Gv	M	.077	11-14	11-24
Hickory Tech	Q	.30	11-15	12-5
HSB Group	Q	.60	1-9	1-28
INA Invest Secs	Q	.31	11-28	12-18
Indiana Energy	Q	.295	11-14	12-1
Instool Indus	Q	.06	12-12	1-2
Intrav Inc	Q	.125	11-28	12-15
Leucadia Natl	A	.25	12-5	12-31
Monarch Machine	Q	.05	11-17	12-1
NY Tax Ex Income	M	.053	11-17	12-1
Nature Sunshi	Q	.0333	11-17	11-25
Nobel InsurLtd	Q	.05	11-12	11-26
Seagram Co	Q	.165	12-1	12-15
Shurgard Storage	Q	.48	11-7	11-19
Summit Bank	Q	.09	11-14	11-26
Talbots Inc	Q	.11	12-1	12-15
Teleflex Inc	Q	.10	11-25	12-15
Weyco Group	Q	.08	12-1	1-2
Wicor Inc	Q	.43	11-7	11-26

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Nov. 5, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	281½	278¼	278½	-1¼	185,299
Mar 98	291	287¼	288¼	-2	105,401
May 98	297	294	294½	-1½	30,426
Jul 98	301¼	298¼	298½	-1¾	42,238
Sep 98	294½	292	292¼	-1	3,775
Dec 98	293¼	291	292	unch.	27,052
Jul 99	304	300½	301½	-3	252
Est. sales 70,000 Tue's sales 65,061					
Tue's open int 395,685, off 2,662					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Dec 97	239.50	231.50	238.80	+6.00	40,278
Jan 98	233.30	226.50	232.90	+5.00	23,127
Mar 98	227.80	222.70	226.60	+2.80	20,927
May 98	225.00	220.40	223.20	+1.50	17,285
Jul 98	225.50	221.00	224.10	+1.10	12,364
Aug 98	225.50	222.00	223.00	unch.	2,712
Est. sales 30,000 Tue's sales 27,533					
Tue's open int 122,356, off 130					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Dec 97	25.75	25.25	25.38	-0.04	49,515
Jan 98	25.95	25.54	25.60	-0.04	27,218
Mar 98	26.20	25.77	25.86	-0.01	15,591
May 98	26.28	25.93	26.03	+0.05	9,445
Jul 98	26.35	26.02	26.11	+0.06	8,397
Aug 98	26.05	25.80	25.83	-0.04	820
Est. sales 20,000 Tue's sales 20,423					
Tue's open int 112,429, off 1,000					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Nov 97	723	710¾	720½	+9¼	17,764
Jan 98	726½	714	723¼	+7¼	70,749
Mar 98	731	719½	727¾	+5¾	24,253
May 98	735	724	731½	+4¼	17,050
Jul 98	739	729½	736¼	+3¼	14,017
Est sales 76,000 Tue's sales 69,322					
Tue's open int 150,755, up 1,529					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Dec 97	360	355	355¾	-3½	51,438
Mar 98	374½	370	370¾	-3¼	27,556
May 98	382	378	379	-3	6,492
Jul 98	385	381	382¼	-2½	15,383
Est sales 14,000 Tue's sales 11,822					
Tue's open int 104,059, off 125					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Dec 97	66.97	66.57	66.75	-0.22	38,495
Feb 98	68.95	68.55	68.92	-0.02	26,126
Apr 98	72.42	72.07	72.37	unch.	14,676
Jun 98	70.05	69.60	70.02	+0.17	10,739
Aug 98	70.05	69.55	70.00	+0.35	3,616
Oct 98	72.00	71.60	72.00	+0.30	1,164
Est sales 11,599 Tue's sales 10,721					
Tue's open int 94,816, up 640					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Nov 97	77.70	77.30	77.57	+0.02	4,866
Jan 98	78.15	77.75	78.02	+0.07	7,023
Mar 98	78.15	77.85	78.05	+0.15	2,870
Apr 98	78.50	78.15	78.30	+0.10	1,049
May 98	79.10	78.80	78.95	+0.10	808
Aug 98			80.80	unch.	318
Est sales 2,479 Tue's sales 2,101					
Tue's open int 16,989, off 659					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Dec 97	62.77	62.02	62.10	-0.02	18,939
Feb 98	63.27	62.57	62.75	-0.07	9,972
Apr 98	60.05	59.32	59.60	+0.32	4,226
Jun 98	66.95	66.37	66.42	+0.02	3,051
Jul 98	65.25	64.60	64.85	+0.30	1,036
Est. sales 8,502 Tue's sales 7,182					
Tue's open int 37,918, up 708					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 98	64.75	62.27	62.55	-1.82	5,978
Mar 98	64.20	62.00	62.32	-1.65	924
May 98	64.60	62.20	62.30	-2.00	298
Est. sales 2,971 Tue's sales 1,747					
Tue's open int 7,473, up 32					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Dec 97	1618	1582	1612	+23	21,165
Mar 98	1656	1624	1654	+24	38,141
May 98	1681	1655	1681	+26	16,231
Jul 98	1700	1673	1700	+24	3,978
Sep 98	1719	1699	1719	+21	4,987
Dec 98	1740	1715	1740	+22	8,898
Est. sales 16,355 Tue's sales 21,754					
Tue's open int 104,736, up 2,133					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Dec 97	154.50	144.25	153.25	+8.95	11,524
Mar 98	144.50	138.25	143.80	+5.95	8,675
May 98	140.50	135.50	140.25	+4.90	2,906
Jul 98	137.25	132.75	137.25	+5.00	1,903
Sep 98	134.25	130.50	134.25	+4.10	1,050
Est. sales 11,429 Tue's sales 4,864					
Tue's open int 26,940, up 308					
SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 98	12.35	12.27	12.32	+0.03	119,385
May 98	12.24	12.18	12.21	+0.01	28,582
Jul 98	11.96	11.89	11.92	+0.02	21,325
Oct 98	11.81	11.76	11.80	+0.02	21,707
Est. sales 14,437 Tue's sales 29,009					
Tue's open int 197,665, up 613					
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Nov 97	72.30	70.80	71.25	+0.05	1,205
Jan 98	75.90	74.15	74.50	-0.25	21,180
Mar 98	79.10	77.55	77.75	-0.45	11,844
May 98	82.30	80.75	81.05	-0.40	2,913
Est. sales N.A. Tue's sales 6,890					
Tue's open int 39,808, off 99					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Nov 97			312.70	-0.30	1
Dec 97	316.10	314.00	314.50	-0.30	110,809
Jan 98			315.70	-0.30	2
Feb 98	317.80	315.40	316.10	-0.20	31,828
Apr 98	319.10	317.40	318.00	-0.20	7,433
Jun 98	321.10	320.00	320.10	-0.20	11,348
Aug 98	324.10	305.00	322.20	-0.20	4,511
Oct 98			324.40	-0.20	1,376
Dec 98	327.10	326.30	326.60	-0.20	11,254
Est. sales 20,000 Tue's sales 25,293					
Tue's open int 217,937, up 1,323					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Nov 97	90.90	90.10	90.90	+0.30	3,710
Dec 97	90.75	89.70	90.45	+0.15	30,519
Jan 98	90.75	90.60	90.75	+0.20	1,291
Feb 98	90.90	90.45	90.45	+0.15	1,359
Mar 98	90.90	90.00	90.60	+0.20	8,862
Apr 98	90.70	90.55	90.55	+0.15	1,244
May 98	91.00	90.80	90.80	+0.20	3,406
Jun 98			90.70	+0.20	1,209
Jul 98	91.00	90.30	90.70	+0.20	2,593
Est. sales 7,000 Tue's sales 5,968					
Tue's open int 63,910, off 81					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Nov 97			485.40	+2.60	2
Dec 97	488.50	483.00	487.30	+2.50	57,874
Jan 98			489.10	+2.50	31
Mar 98	494.00	488.50	493.20	+2.40	22,593
May 98	496.50	491.50	496.10	+2.40	2,772
Jul 98	498.90	495.00	498.90	+2.40	3,782
Sep 98			501.70	+2.40	652
Dec 98	506.00	505.00	505.40	+2.40	3,320
Est sales 10,000 Tue's sales 17,821					
Tue's open int 95,965, up 917					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 98	408.50	403.50	404.50	-1.20	11,211
Apr 98	401.50	399.50	399.50	-2.20	1,434
Jul 98	398.00	396.50	396.50	-2.20	42
Est. sales 852 Tue's sales 903					
Tue's open int 12,687, off 73					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1606½	1607½	1592.00	1593.00
Forward	1633.00	1634.00	1620.00	1621.00
Copper Cathodes (High Grade)				
Spot	1976.00	1977.00	1970.00	1971.00
Forward	1990.00	1991.00	1982.00	1983.00
Lead				
Spot	588.00	589.00	595.00	596.00
Forward	600.00	601.00	607.00	608.00
Nickel				
Spot	6090.00	6100.00	6090.00	6100.00
Forward	6180.00	6185.00	6175.00	6180.00
Tin				
Spot	5595.00	5605.00	5595.00	5605.00
Forward	5590.00	5595.00	5595.00	5605.00
Zinc (Special High Grade)				
Spot	1217.00	1218.00	1231½	1232½
Forward	1237.00	1238.00	1252.00	1253.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Dec 97	95.01	94.99	95.00	unch.	5,382
Mar 98	95.07	95.05	95.07	unch.	4,851
Jun 98	95.03	94.99	94.99	-0.01	496
Sep 98			94.93	unch.	23
Est. sales 838 Tue's sales 651					
Tue's open int 10,752, up 110					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Dec 97	108-02	107-54	107-59	+ 01	233,367
Est. sales 30,000 Tue's sales 29,404					
Tue's open int 242,755, up 1,182					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Dec 97	111-09	110-31	111-03	+ 01	365,370
Mar 98	110-31	110-23	110-27	+ 02	33,974
Jun 98			110-23	+ 02	110
Est. sales 74,821 Tue's sales 76,158					
Tue's open int 399,454, up 1,542					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Dec 97	117-23	117-05	117-12	+ 02	600,862
Mar 98	117-13	116-28	117-03	+ 02	74,093
Jun 98	116-24	116-23	116-23	+ 02	12,169
Sep 98			116-13	+ 02	2,006
Est. sales 310,000 Tue's sales 290,562					
Tue's open int 696,195, up 1,340					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Dec 97	118-13	118-08	118-11	—0-05	164,209
Mar 98	118-28	118-21	118-26	—0-08	34,033
Jun 98	N.T.	N.T.	118-20	—0-08	
Est. sales: 43,912. Prev. sales: 96,647					
Prev. open int.: 198,242 up 672					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Dec 97	102.54	102.35	102.44	—0.18	255,814
Mar 98	101.76	101.68	101.74	—0.17	12,551
Est. sales: 96,320. Prev. sales: 96,728					
Prev. open int.: 268,365 off 2,955					

	High	Low	Latest	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Dec 97	98.84	98.66	98.74	— 0.22	100,435
Mar 98	98.28	98.20	98.20	— 0.22	10,141
Jun 98	97.86	97.86	97.78	— 0.22	0
Est. sales: 80,242.					
Open int.: 110,576 off 1,196.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Dec 97	111.83	111.66	111.71	—0.17	112,672
Mar 98	111.89	111.83	111.85	—0.16	2,006
Jun 98	N.T.	N.T.	111.85	—0.16	114,678
Est. sales: 25,966. Prev. sales: 29,842					
Prev. open int.: 114,678 up 1,958					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.					
Nov 97	94.35	94.34	94.35	unch.	34,089
Dec 97	94.19	94.18	94.18	unch.	17,163
Jan 98	94.33	94.31	94.31	unch.	4,467
Est. sales 5,272 Tue's sales 3,334					
Tue's open int 59,337, up 46					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Nov 97	94.24	94.22	94.23	unch.	20,896
Dec 97	94.23	94.21	94.22	unch.	537,504
Mar 98	94.20	94.17	94.18	unch.	422,423
Jun 98	94.13	94.10	94.11	unch.	342,905
Sep 98	94.06	94.02	94.04	+0.01	261,125
Dec 98	93.95	93.92	93.93	unch.	221,240
Mar 99	93.94	93.90	93.92	+0.01	154,343
Jun 99	93.89	93.86	93.87	unch.	136,864
Sep 99	93.86	93.82	93.84	+0.01	108,840
Dec 99	93.79	93.76	93.77	unch.	87,912
Mar 00	93.79	93.74	93.78	+0.01	70,105
Jun 00	93.76	93.73	93.75	+0.01	57,532
Est. sales 300,805 Tue's sales 327,874					
Tue's open int 2,796,402, up 15,713					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Dec 97	1.6822	1.6684	1.6788	-0.0038	49,501
Mar 98	1.6740	1.6600	1.6728	-0.0038	549
Jun 98	1.6680	1.6540	1.6660	-0.0038	75
Est. sales 7,382 Tue's sales 6,803					
Tue's open int 50,125, up 747					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Dec 97	.7173	.7150	.7154	unch.	69,171
Mar 98	.7199	.7182	.7184	-0.0001	3,736
Jun 98	.7215	.7207	.7207	-0.0002	707
Est. sales 6,434 Tue's sales 7,909					
Tue's open int 74,076, off 998					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Dec 97	.5841	.5788	.5834	+0.0014	65,264
Mar 98	.5870	.5823	.5864	+0.0014	2,732
Jun 98			.5889	+0.0014	2,457
Est. sales 18,560 Tue's sales 21,452					
Tue's open int 70,769, up 3,098					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Dec 97	.8256	.8145	.8171	-0.0061	107,398
Mar 98	.8317	.8256	.8280	-0.0063	1,175
Jun 98	.8391	.8390	.8391	-0.0065	232
Est. sales 25,796 Tue's sales 27,161					
Tue's open int 108,806, up 2,667					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Dec 97	.7158	.7105	.7152	-0.0004	46,764
Mar 98	.7220	.7180	.7218	-0.0004	2,466
Jun 98			.7283	-0.0004	265
Est. sales 11,866 Tue's sales 9,504					
Tue's open int 49,711, off 619					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Dec 97	.12080	.11900	.11915	-.00461	21,839
Mar 98	.11640	.11450	.11460	-.00461	10,753
Jun 98	.11200	.11050	.11050	-.00674	2,883
Est. sales N.A. Tue's sales 8,656					
Tue's open int 38,974, off 1,474					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Dec 97	92.60	92.58	92.59	—0.02	133,348
Mar 98	92.55	92.52	92.53	—0.03	118,440
Jun 98	92.57	92.54	92.56	—0.03	79,746
Sep 98	92.65	92.63	92.64	—0.02	68,108
Dec 98	92.77	92.75	92.76	—0.02	64,645
Mar 99	92.89	92.87	92.88	—0.02	51,518
Jun 99	93.02	93.00	93.01	—0.02	44,075
Est. sales: 61,129. Prev. sales: 44,308					
Prev. open int.: 663,238 up 2,095					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Nov 97	96.31	96.29	96.27	—0.03	3,356
Dec 97	96.24	96.21	96.22	—0.03	306,004
Jan 98	96.18	96.16	96.15	—0.03	1,670
Mar 98	95.99	95.94	95.94	—0.06	317,330
Jun 98	95.74	95.68	95.68	—0.08	287,177
Sep 98	95.55	95.49	95.49	—0.08	200,473
Dec 98	95.35	95.30	95.30	—0.07	177,454
Mar 99	95.18	95.14	95.15	—0.06	193,812
Jun 99	95.02	94.99	94.99	—0.06	91,974
Sep 99	94.88	94.84	94.84	—0.06	78,145
Est. sales: 178,236. Prev. sales: 152,119					
Prev. open int.: 1,808,871 off 5,977					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Dec 97	96.25	96.22	96.23	— 0.02	50,369
Mar 98	95.95	95.91	95.92	— 0.05	48,850
Jun 98	95.73	95.68	95.68	— 0.06	31,391
Sep 98	95.53	95.48	95.49	— 0.06	19,375
Dec 98	95.39	95.34	95.34	— 0.06	24,147
Est. sales: 41,863.					
Open int.: 258,457 up 3,263.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Dec 97	93.71	93.68	93.68	—0.04	108,950
Mar 98	94.45	94.42	94.42	—0.03	107,029
Jun 98	94.93	94.90	94.90	—0.04	109,540
Sep 98	95.07	95.03	95.02	—0.05	65,981
Dec 98	95.08	95.02	95.02	—0.06	57,873
Mar 99	94.98	94.93	94.93	—0.07	30,494
Est. sales: 34,939. Prev. sales: 29,193					
Prev. open int.: 502,279 up 3,450					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Dec 97	72.45	72.09	72.11	-0.27	45,120
Mar 98	73.55	73.20	73.36	-0.22	17,872
May 98	74.25	74.15	74.21	-0.19	10,887
Jul 98	75.00	74.75	74.84	-0.02	10,307
Oct 98	75.60	75.45	75.45	-0.05	812
Est. sales N.A. Tue's sales 8,523					
Tue's open int 96,096, off 34					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Dec 97	58.35	57.10	57.18	-0.93	55,835
Jan 98	59.10	56.07	58.07	-0.84	25,067
Feb 98	59.25	58.32	58.32	-0.79	13,476
Mar 98	58.45	57.55	57.77	-0.54	9,055
Apr 98	56.90	56.27	56.27	-0.39	5,656
May 98			54.92	-0.29	3,945
Jun 98			54.47	-0.24	2,770
Est. sales 22,206 Tue's sales 18,465					
Tue's open int 123,070, off 3,570					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Dec 97	20.75	20.28	20.31	-0.39	89,536
Jan 98	20.92	20.50	20.51	-0.34	57,357
Feb 98	20.90	20.55	20.57	-0.28	37,158
Mar 98	20.83	20.52	20.52	-0.23	21,913
Apr 98	20.75	20.46	20.46	-0.29	15,671
May 98	20.64	20.39	20.39	-0.28	17,056
Est. sales 116,268 Tue's sales 60,704					
Tue's open int 394,376, up 2,443					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Dec 97	3.495	3.415	3.468	+0.045	58,139
Jan 98	3.440	3.365	3.412	+0.044	31,738
Feb 98	3.030	2.980	3.022	+0.042	23,074
Mar 98	2.690	2.640	2.680	+0.035	16,953
Apr 98	2.345	2.320	2.345	+0.015	10,210
May 98	2.260	2.240	2.260	+0.015	8,354
Est. sales 24,711 Tue's sales 34,423					
Tue's open int 233,025, off 1,239					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Dec 97	59.35	58.10	58.20	-0.76	35,304
Jan 98	59.40	58.37	58.37	-0.69	19,509
Feb 98	59.55	58.75	58.79	-0.65	9,053
Mar 98	60.10	59.41	59.41	-0.61	6,049
Apr 98	62.75	61.96	61.96	-0.54	6,145
May 98	62.25	61.71	61.71	-0.54	4,798
Jun 98			61.16	-0.49	3,647
Jul 98			60.31	-0.49	3,496
Est. sales 18,209 Tue's sales 15,421					
Tue's open int 91,216, up 1,327					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Nov 97	180.25	179.25	179.75	—1.25	22,661
Dec 97	181.00	180.25	180.50	—1.25	24,304
Jan 98	181.75	181.00	181.50	—1.00	14,239
Feb 98	181.50	181.00	181.25	—1.00	8,924
Mar 98	179.50	178.75	179.25	—0.75	6,019
Apr 98	177.00	176.50	176.50	—1.00	3,147
May 98	174.75	174.25	174.25	—1.00	1,670
Est. sales: 14,300. Prev. sales: 12,366					
Prev. open int.: 96,593 off 2,467					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Dec 97	19.73	19.35	19.38	—0.23	54,602
Jan 98	19.81	19.47	19.48	—0.17	55,378
Feb 98	19.74	19.48	19.49	—0.19	20,501
Mar 98	19.63	19.41	19.39	—0.17	4,023
Apr 98	19.50	19.25	19.28	—0.15	5,528
May 98	19.37	19.21	19.16	—0.14	5,225
Est. sales: 51,234. Prev. sales: 33,540					
Prev. open int.: 166,833 up 941					
Stock Indexes					
SP COMP INDEX (CMER) 250 x index					
Dec 97	955.00	938.10	949.30	+7.30	383,824
Mar 98	965.00	951.30	959.00	+7.10	13,077
Jun 98	970.00	963.50	970.00	+8.00	3,277
Est. sales N.A. Tue's sales 101,907					
Tue's open int 401,572, off 2,978					
FTSE 100 (LIFFE) £25 per index point					
Dec 97	4987.0	4887.0	4925.0	+10.5	68,296
Mar 98	5012.0	5012.0	4967.0	+11.5	5,721
Est. sales: 10,822. Prev. sales: 8,180					
Prev. open int.: 74,017 off 870					
CAC 40 (MATIF) FF200 per index point					
Nov 97	2859.0	2810.5	2827.0	+50.0	50,196
Dec 97	2865.0	2818.5	2833.5	+50.0	18,795
Mar 98	2886.0	2847.0	2857.5	+51.0	10,348
Jun 98	2833.0	2833.0	2828.0	+44.5	1,526
Est. sales: 20,625.					
Open int.: 93,294 up 480.					

Commodity Indexes

	Close	Previous
Moody's	1,515.40	1,534.00
Reuters	1,817.40	1,828.70
D.J. Futures	144.48	143.32
CRB	242.35	241.61

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

مصور من الأصل

German Jobless Rate Hits High of 11.8%

Export-Led Recovery Bypasses East

Compiled by Our Staff From Dispatches

NUREMBERG — Germany's unemployment rate rose to a new postwar record of 11.8 percent in October from 11.7 percent in September as job losses in the East overshadowed a more stable job market in Western Germany.

The number of unemployed Germans rose by 19,000 in October, the seventh consecutive monthly rise, to a postwar high of 4,516,000, the Federal Labor Office said.

The rise in the jobless total, which is adjusted for seasonal swings in employment, was in line with expectations.

"The economic recovery is having an increasing impact on the Western jobs market," Bernhard Jagoda, president of the labor office, said. "In the East, the share of the export industry is far too low."

The number of unemployed rose by only 3,000 in Western Germany, but joblessness in Eastern Germany, which makes up just one-tenth of the national economy, rose by 16,000. Analysts had expected most of the increase to occur in the East, where cutbacks in public construction programs have idled thousands.

The unadjusted jobless rate, which does not take into account seasonal shifts, was unchanged at 11.2 percent.

"We're going to end 1997 with an average unemployment rate of 11.35 percent to 11.4 percent," Mr. Jagoda said at a news conference, "and I don't see that the trend will change next year."

Uwe Angenendt, an analyst at BHF-Bank in Frankfurt, said, "I think it is a bad number, because we still have high unemployment and the situation in the labor market has not changed in the last few months."

He said the West German labor market was stabilizing but that the situation in the East was deteriorating because of difficulties in the construction market and job cutbacks.

Opposition politicians seized on the figures to renew calls for Bonn to agree to a Europewide jobs programs currently being proposed by other European nations.

"This increasingly tired government must not continue to play the blocking role," said Ottmar Schreiner, deputy parliamentary chairman of the Social Democrats.

Separately, the Economics Ministry said industrial output unexpectedly fell 1.6 percent in September after falling 4.9 percent in August.

The ministry attributed the drop to an "unusually late occurrence" of school vacations and said September output would probably be revised "tangibly higher."

It said output was up 2.3 percent from a year earlier in the July-September quarter.

"That makes it plain that the basic tendency for output development is still upward," the ministry said.

Production of capital goods, a gauge of companies' investment activity and future growth, climbed 5.1 percent in the third quarter from the year before. Basic goods output rose 7 percent, while total factory output rose 4.6 percent. The output report does not differentiate between output destined for exports and domestic output.

Germany is relying on exports for faster growth. So far this year, an 11 percent fall in the value of the Deutsche mark against the dollar has lifted export manufacturing output as German goods have become cheaper in international markets.

(Bloomberg, Reuters)

Demise of EU? The Soros View

Reuters

BONN — George Soros, the financier who in 1992 is widely believed to have made $1 billion exploiting rigidities of Europe's exchange-rate mechanism, said Wednesday that the single currency could cause the downfall of the European Union itself.

"The single European currency could destroy the European Union because its faults cannot be corrected by other action," Mr. Soros wrote for the German weekly Die Zeit.

The man whose concerted selling of the pound five years ago forced the British government to withdraw from Europe's exchange-rate mechanism said the problem was with the inflexible nature of the treaty defining Europe's planned monetary union.

He said the Maastricht treaty governing economic and monetary union was the "embodiment of the mistaken belief that all problems can be resolved as long as you set the right guidelines."

"An independent bank determining monetary policy, together with a stability pact placing strict rules on finance policy, strips governments of all power of macro-economic management," he said. The inflexibility of the euro, which is due to be set up in 1999, will make a common financial policy among EMU participants vital, he said.

Mr. Soros's 1992 windfall came as the British government, which had stressed its intention to keep the pound in the rate mechanism, felt politically compelled to defend the currency. Mr. Soros's investments have come under fire, with Prime Minister Mahathir bin Mohamad of Malaysia repeatedly accusing him of mounting politically motivated attacks on Southeast Asian currencies, a charge Mr. Soros denies.

Strong Pound and Strike Cut BA's Profit

Compiled by Our Staff From Dispatches

LONDON — British Airways PLC said Wednesday that its first-half profit fell to £430 million ($724 million) from £470 million a year ago, saddled by a summer strike by cabin crews and a stronger pound that cut the value of its overseas bookings.

The pound, which has climbed against most major currencies in the past year, shaved £128 million from first-half profit. Bob Ayling, chief executive of the airline, said the strong currency was likely to cut £220 million from full-year profit.

The cost of the crew strike, meanwhile, was £125 million, the company said. Those losses were partly offset by one-time gains of £157 million from the sale of assets, including Galileo International, a computerized booking network.

Sales rose slightly, to £4.46 billion from £4.39 billion.

British Airways said it was considering launching a low-cost subsidiary airline, but had not yet decided whether to buy a rival or set up a service from scratch.

The announcement was greeted with the threat of legal action from the founder of the no-frills airline EasyJet, which offers bargain fares but charges passengers for such extras as in-flight coffee or tea.

EasyJet's chairman, Stelios Haji-Oiannou, said he would be consulting his lawyers about "firing a warning shot" across BA's wings.

EasyJet's chairman also said BA had held talks with him earlier in the year about possibly buying his two-year-old airline.

But BA decided against it on the grounds that it would run into competition problems with Brussels and could have complicated an EU decision on whether to clear BA's trans-Atlantic alliance with American Airlines.

That alliance decision has reached stalemate, with the European Commission demanding that BA and its partner give up 350 slots at Heathrow International Airport. BA has resisted that condition.

BA said Wednesday that it expected no final decision from the EU until early next year.

(Bloomberg, Reuters, AFX)

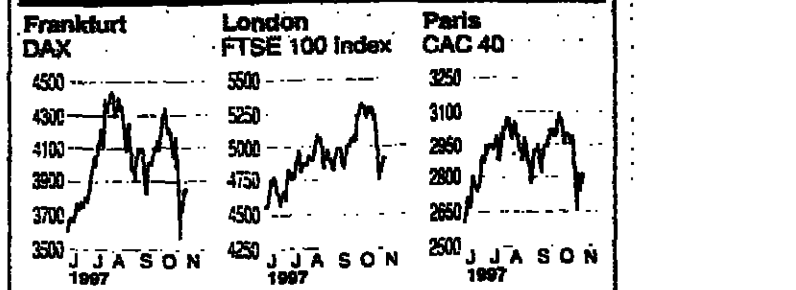
Rosy Outlook Buoys PC Sales in Europe

Reuters

CANNES — Personal-computer sales in Western Europe were better than expected in the third quarter, the market-research concern Dataquest Corp. reported Wednesday, and the rest of the year looks good, thanks to stronger economies and a return of consumer confidence.

Dataquest said third-quarter sales rose 16.9 percent from a year earlier, to 4.03 million personal computers. Compaq Computer Corp. improved its position as market leader, capturing a 16 percent share. Other big winners in the quarter were Hewlett-Packard Co., Siemens Nixdorf and Dell Computer Corp.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	878.54	868.95	+1.10
Brussels	BEL-20	2,369.69	2,360.59	+0.39
Frankfurt	DAX	3,866.88	3,812.45	+1.42
Copenhagen	Stock Market	622.66	622.14	+0.08
Helsinki	HEX General	3,569.14	3,519.53	+1.41
Oslo	OBX	699.74	696.22	+0.51
London	FTSE 100	4,908.30	4,897.40	+0.22
Madrid	Stock Exchange	571.75	566.95	+0.85
Milan	MIBTEL	15033	14995	+0.25
Paris	CAC 40	2,822.42	2,774.90	+1.71
Stockholm	SX 16	3,251.82	3,211.21	+1.26
Vienna	ATX	1,317.09	1,309.27	+0.60
Zurich	SPI	3,547.50	3,514.89	+0.93

Source: Telekurs — International Herald Tribune

Very briefly:

- Russia plans to sell two stakes totaling 16 percent in its biggest oil company, AO Lukoil Holding, and 19 percent of the Russia-Belarus venture Slavneft by the end of the year.
- Siemens AG posted an 8 percent rise in fourth-quarter net income, to 910 million Deutsche marks ($528 million), as gains in international and communications businesses offset declines in medical engineering and power generation.
- Mayflower Corp., a maker of automotive bodies, said it was considering a bid for Vickers PLC, maker of the Challenger 2 tank and Rolls-Royce automobiles.
- The European Commission began legal action against Belgium, Denmark, Germany, Greece, Italy, Luxembourg and Portugal for failing to make sufficient progress at breaking up their state telephone monopolies.
- Whitbread PLC posted a 12 percent rise in half-year pretax profit, to £198.1 million ($333.9 million). Sales in the six months to Aug. 31 grew 8.4 percent, to £1.63 billion.
- Daimler-Benz AG will receive no refund for the 2.4 billion DM it lost in the bankruptcy of the Dutch aircraft maker Fokker NV, the newspaper Die Welt reported, citing Dutch bankruptcy administrators.

Bloomberg, Reuters

WORLD STOCK MARKETS

Wednesday, Nov. 5

Prices in local currencies.

Telekurs

Amsterdam — AEX index: 878.54 Previous: 868.95

	High	Low	Close	Prev.
ABN-AMRO	39.50	39	39.10	38.80
Aegon	157.90	156.20	156.40	156.10
Ahold	51.50	50.20	51.50	49.80
Akzo Nobel	346.70	343	343	344.40
Baan Co.	143	140.50	142.80	139.70
Bols Wess cva	31.20	30.60	31.10	30.90
CSM cva	88.20	87.60	88.40	88.70
Dordtsche Pet	107.50	105.50	106.30	105.50
DSM	177.90	176.30	177.80	175.90
Elsevier	31.90	31.30	31.80	31.20
Fortis Amev	80.20	78.80	79.30	79.40
Getronics	68.20	65.50	68.10	66
G-Broc cva	52.70	51.50	52.30	52.30
Hagemeyer	85.30	83	84.90	82.70
Heineken	326.50	322.50	324.50	322.90
Hoogovens cva	92.40	90.40	91	91.50
Hunt Douglas	83	80.80	83	80
ING Group	84.50	83.20	83.70	82.70
KLM	76.30	72.50	76	71.80
KNP BT	46.40	45.50	46.40	45.10
KPN	74.80	73.70	74.30	73.60
Nedlloyd Gp	57	54.60	56.90	55
Nutricia	57.80	57	57.50	57.10
Oce Grinten	223.80	220	222.50	222
Philips Elec	157.20	154	156.50	151.20
Polygram	110.50	108.60	110	107.20
Randstad Hdg	85.70	81	85.70	82.50
Robeco	182.30	181.30	181.30	181.20
Rodamco	57.40	56.80	57.30	57.60
Rolinco	175.30	174.50	175.30	175.30
Rorento	118	117.50	118	118
Royal Dutch	106.40	104.50	105	105.10
Unilever	107	105.70	105.80	105.40
Vendex Intl	106.70	105	105.70	104.80
VNU	46.90	45.20	45.40	46.50
Wolters Kl cva	248	243.60	247.60	243.40

Bangkok — SET index: 487.11 Previous: 478.33

	High	Low	Close	Prev.
Adv Info Svc	262	240	244	252
Bangkok Bk F	182	164	179	182
Krung Thai Bk	17	15	17	15.50
PTT Explor	410	396	402	418
Siam Cement F	390	374	386	402
Siam Com Bk F	92	81	90	89.50
Telecomasia	21.25	19	21.25	19.50
Thai Airways	49	43.50	48.25	45.75
Thai Farm Bk F	135	121	134	142
Utd Comm	65.50	62	65.50	65.50

Bombay — Sensex 30 index: 3778.23 Previous: 3885.95

	High	Low	Close	Prev.
Bajaj Auto	584.50	576.50	578.75	581.75
Hindust Lever	1333	1305	1332	1318
Hindust Petlm	485.75	483	485	485
Ind Dev Bk	98.50	98	98.25	98
ITC	574.50	557.25	560.25	573.25
Mahanagar Tel	247	235.25	238	249
Reliance Ind	186	181.50	182.50	185
State Bk India	261.50	254.75	259.25	258.25
Steel Authority	14.50	14.25	14.25	14.75
Tata Eng Loco	339	332.75	335.50	333

Brussels — BEL-20 index: 2369.69 Previous: 2360.59

	High	Low	Close	Prev.
Almanij	1535	1520	1530	1520
Barco Ind	7170	7080	7100	6980
BBL	9160	9000	9000	9000
CBR	3295	3240	3240	3260
Colruyt	19250	18825	18900	18980
Delhaize Lion	1730	1705	1715	1690
Electrabel	8260	8180	8190	8180
Electrafina	3290	3240	3275	3265
Fortis AG	6880	6740	6750	6810
Gevaert	1470	1458	1470	1470
GBL	5590	5460	5590	5450
Gen Banque	14975	14725	14775	14850
Kredietbank	14775	14400	14425	14600
Petrofina	13775	13575	13725	13475
Powerfin	5110	5090	5110	5080
Royale Belge	9810	9730	9730	9780
Soc Gen Belg	3330	3275	3275	3275
Solvay	2180	2135	2135	2115
Tractebel	3080	3060	3070	3065
UCB	126200	125000	126200	124600

Copenhagen — Stock index: 622.66 Previous: 622.14

	High	Low	Close	Prev.
BG Bank	433	425	430.42	428
Carlsberg B	346	341	344	342
Codan Fors	990	983	983	980
Danisco	370	360	362	360
Den Danske Bk	754.50	741	754	745
D/S Svendborg B	395000	393731	393731	395000
D/S 1912 B	283000	278000	278000	280000
FLS Ind B	175	173	173	175
Kob Lufthavne	830	805	810	802.23
Nvo Nordisk B	744	728.20	733	735
Sophus Ber B	1050	1030	1030	1030
Tele Danmk B	384	378.53	383	382.38
Tryg Baltica	411	410	410	405
Unidanmark A	470	453	469	453

Frankfurt — DAX: 3866.88 Previous: 3812.45

	High	Low	Close	Prev.
AMB B	162	158	158	159
Adidas	254.75	252.50	254.75	249
Allianz Hdg	396.50	394	395.30	391
Altana	135.80	131.50	132	131.90
Bk Berlin	42.60	42.20	42.55	42.20
BASF	60.10	59.30	59.88	59
Bayer Hypo Bk	73.60	72.10	73	73.35
Bay.Vereinsbank	100.30	99.30	99.95	100.60
Bayer	61.60	60.70	61.45	60.20
Beiersdorf	74.40	72	73	72.10
Bewag	42	39.95	40.20	39.90
BMW	1305	1300	1302	1296
CKAG Colonia	151.10	149	150	149.80
Commerzbank	61.80	59.85	61.80	60.40
Daimler Benz	120.40	118.50	119.40	118.40
Degussa	82.30	79.80	80	82
Deutsche Bank	113.40	110.70	113.35	112.75
Deut Telekom	33	32.70	32.85	32.75
Dresdner Bank	73.50	71.80	73.50	71.70
Fresenius	285	273	285	273
Fresenius Med	126.80	125.50	126	123.50
Fried. Krupp	390.50	386	389.80	374
Gehe	94.80	93.20	93.20	92.70
Heidelbg Zmt	141	140.50	140.50	142.50
Henkel pfd	96	93.50	94.90	90.80
HEW	465	465	465	465
Hochtief	71.50	70.50	71	69
Hoechst	71.40	70.40	71.07	68.30
Karstadt	593	589.50	589.50	589
Lahmeyer	89	80.40	80.80	81
Linde	1080	1060	1079	1020
Lufthansa R	32.25	31.90	32.10	31.50
MAN	526.50	524.50	526	525
Mannesmann	803	791	798	791
Metallgesellschaft	36	35.20	35.85	34.95
Metro	80.70	78.30	80.70	77.50
Munch Rueck R	516	510.50	513	509
Preussag	468	465	468	469.50
RWE	78.70	77.30	77.75	77.80
SAP pfd	516	508.50	508.50	496
Schering	177.50	175.50	177	173
SGL Carbon	242.80	239.50	242	241
Siemens	111.95	109.30	110.80	108.55
Springer (Axel)	1360	1320	1320	1360
Suedzucker	900	900	900	900
Thyssen	431.50	429.50	431.50	411
Veba	99.65	99.10	99.45	98.80
VEW	580	570	570	575
Viag	851	848.50	848.50	846
Volkswagen	1060.50	1054	1056	1051

Helsinki — HEX General index: 3569.14 Previous: 3519.53

	High	Low	Close	Prev.
Enso A	50.50	50.50	50.50	50
Huhtamaki I	217.10	216	217	217.70
Kemira	53.50	53.10	53.50	53.50
Kesko	74.90	74.50	74.80	74.20
Merita A	26.50	26.10	26.30	26.20
Metra B	140	138	138	140
Metso-Serla B	46.50	46	46	46
Neste	128.50	127	128	128
Nokia A	478	467	476.80	458.50
Orion-Yhtymae	206	201	202	202
Outokumpu A	82.50	80	82	80
UPM-Kymmene	125	123.50	124	124.10
Valmet	82.50	82	82.30	82.50

Hong Kong — Hang Seng: 10681.75 Previous: 10780.78

	High	Low	Close	Prev.
Amoy Props	6.85	6.60	6.75	6.85
Bk East Asia	18.30	17.55	17.85	18.20
Cathay Pacific	8.50	8.05	8.15	8.45
Cheung Kong	55.25	52	53.25	53.75
CK Infrastruct	19.20	17.90	18.70	19
China Light	38.40	36.70	37.10	38.40
Citic Pacific	35.70	33.30	34.20	34.50
Dao Heng Bk	20	19.10	20	19.60
First Pacific	6.15	5.65	6.15	6
Hang Lung Dev	11.20	10.90	11	11
Hang Seng Bk	72	67.50	69.75	71.25
Henderson Inv	6.30	6	6.25	6.30
Henderson Ld	41.60	40	40.80	41.20
HK China Gas	14.50	13.75	14.05	14.70
HK Electric	26.60	25.45	25.60	26.70
HK Telecomm	14.85	13.75	14.80	14.05
Hopewell Hdgs	2.28	2.18	2.25	2.23
HSBC Hdgs	184.50	178	182.50	183.50
Hutchison Wh	56.25	52.50	54.50	54.75
Hysan Dev	17.40	16.30	16.45	17.40
Johnson El Hdg	22.60	21.50	22.40	21.60
Kerry Props	16.40	15.25	15.45	16.40
New World Dev	28	26.45	26.90	27.80
Oriental Press	2.05	2	2.05	2.08
Pearl Oriental	0.60	0.56	0.57	0.58
SHK Props	57.50	55.50	57	58.25
Shun Tak Hdgs	2.88	2.55	2.65	2.85
Sino Land Co.	5	4.80	4.98	5.05
Sth China Post	6.35	6.15	6.25	6.50
Swire Pac A	42.30	39.50	41.50	42.70
Wharf Hdgs	16.30	15.35	15.70	16.15
Wheelock	9.15	8.50	8.65	9

Jakarta — Composite index: 498.99 Previous: 494.85

	High	Low	Close	Prev.
Astra Intl	2800	2675	2800	2775
Bk Intl Indon	775	750	775	750
Bk Negara	800	750	775	775
Gudang Garm	10175	9900	10075	10175
Indocement	1875	1825	1875	1900
Indofood	3425	3225	3250	3450
Indosat	8250	7900	8200	8100
Sampoerna HM	6250	6100	6125	6275
Semen Gresik	4075	3850	3900	3875
Telekomunikasi	3375	3300	3300	3275

Johannesburg — All Market: 6780.52 Previous: 6749.74

	High	Low	Close	Prev.
ABSA Group	32.25	31.10	31.90	31.25
AngloAm Coal	270	266	266	266.60
AngloAm-Corp	231.20	220	223	220
AngloAm Gold	226	222	223	224
AngloAm Ind	149	142	142	142
AngloAM Plat	80	78	79.20	78
AVMIN	8.60	8.50	8.60	8.50
Barlow	54.10	51.10	52	51
C.G. Smith	23	22	22.50	22.50
De Beers	115	113	113	114
Driefontein	35	34.05	34.10	34.50
Fst Natl Bk	41.50	38.70	40.70	38.70
Gencor	11.40	10.60	10.70	10.95
GFSA	87	85.10	86.50	85.10
Imperial Hdgs	66	62	62.20	62.20
Ingwe Coal	21.25	20.50	21	20.50
Iscor	2.53	2.49	2.53	2.52
Johnnies Ind	57.70	54	55.50	56
Liberty Hdgs	332	322	330	321
Liberty Life	129.20	124.80	126	124
LibLife Strat	17	16	16	16.50
Minorco	100	96	96	97
Nampak	16.50	15.80	16	15.75
Nedcor	110.60	105.80	107	106
Rembrandt Gp	42.25	40.25	40.80	40.20
Richemont	59	57.20	57.50	57
SA Breweries	131.40	129.60	129.60	130.40
Samancor	33.75	33.50	33.50	33.50
Sasol	62.50	61.20	61.60	61.80
SBIC	235	216.20	220	216
Tiger Oats	75	70	71.90	72.50

Kuala Lumpur — Composite: 732.74 Previous: 725.94

	High	Low	Close	Prev.
AMMB Hdgs	5.95	5.75	5.90	5.90
Genting	9.90	9.50	9.90	9.75
Mal Banking	14.30	13.60	14.10	14.20
Mal Intl Ship F	6.30	6.15	6.25	6.30
Petronas Gas	9.95	9.40	9.90	9.95
Proton	8.20	8	8.20	8.10
Public Bk	2.27	2.18	2.26	2.25
Renong	3.10	3.06	3.08	3.08
Resorts World	6.45	6.05	6.45	6.30
Rothmans PM	27.25	27	27.25	27
Sime Darby	5.40	5.10	5.35	5.35
Telekom Mal	10.10	9.65	10	9.85
Tenaga	8.75	8.20	8.70	8.20
Utd Engineers	8.25	7.90	8.05	8.25
YTL	4.48	4.06	4.38	4.16

London — FT-SE 100: 4908.30 Previous: 4897.40

	High	Low	Close	Prev.
Abbey Natl	9.70	8.51	9.68	9.40
Allied Domecq	5.10	4.95	4.98	4.99
Anglian Water	7.90	7.77	7.84	7.80
Argos	6.70	6.57	6.67	6.68
Asda Group	1.58	1.50	1.53	1.55
Assoc Br Foods	4.95	4.80	4.88	4.87
BAA	5.61	5.35	5.44	5.60
Barclays	15.58	14.75	15.32	15.02
Bass	8.42	7.97	8.30	8.37
BAT Ind	5.65	5.29	5.38	5.36
Bank Scotland	5.20	4.95	5.12	5.13
Blue Circle	3.68	3.50	3.66	3.61
BOC Group	10.60	10.17	10.39	10.49
Boots	8.95	8.64	8.89	8.84
BPB Ind	3.28	3.23	3.27	3.25
Brit Aerosp	16.90	15.75	16.60	16.37
Brit Airways	6.20	5.90	5.95	5.89
BG	N.A.	N.A.	N.A.	2.58
Brit Land	6.96	6.60	6.78	6.86
Brit Petm	9	8.64	8.89	8.93
BSkyB	4.35	4.18	4.25	4.26
Brit Steel	1.63	1.56	1.62	1.60
Brit Telecom	4.72	4.40	4.56	4.56
BTR	2.18	1.94	2.12	2.13
Burmah Castrol	10.95	9.90	10.32	10.25
Burton Gp	1.30	1.27	1.29	1.28
Cable Wireless	4.85	4.65	4.79	4.75
Cadbury Schw	6	5.77	6	5.96
Carlton Comm	4.96	4.80	4.92	4.90
Comml Union	8.79	8.26	8.67	8.50
Compass Gp	6.31	6.23	6.26	6.23
Courtaulds	2.77	2.71	2.75	2.76
Dixons	7.15	7.04	7.12	7.04
Electrocomponents	4.64	4.57	4.60	4.65
EMI Group	5.07	4.83	4.93	4.96
Energy Group	6.80	6.15	6.26	6.15
Enterprise Oil	6.94	6.80	6.81	6.83
Fam Colonial	1.69	1.67	1.69	1.69
Genl Accident	10.48	10.07	10.21	10.30
GEC	4	3.88	3.98	3.88
GKN	13.46	13.31	13.41	13.36
Glaxo Wellcome	13.27	12.83	13.01	12.96
Granada Gp	8.30	8.18	8.25	8.23
Grand Met	5.50	5.41	5.42	5.46
GRE	3.22	3	3.20	3.05
Greenalls Gp	3.60	3.54	3.55	3.55
Guinness	5.60	5	5.47	5.50
GUS	7.10	6.50	7.03	7.07
Hays	7.11	6.94	7.08	7.11
HSBC Hldgs	14.55	13.62	14.50	14.10
ICI	9	8.90	8.96	8.99
Impl Tobacco	3.68	3.63	3.67	3.65
Kingfisher	8.50	8	8.46	8.43
Ladbroke	2.71	2.60	2.70	2.68
Land Sec	10.17	9.93	10	10.15
Lasmo	3	2.65	2.70	2.68
Legal Genl Grp	5	4.80	4.98	4.85
Lloyds TSB Gp	7.60	7.40	7.51	7.50
LucasVarity	2.14	2.07	2.10	2.08
Marks Spencer	6.43	5.50	5.84	6.02
MEPC	5.34	5.30	5.34	5.32
Mercury Asset	13.50	12.70	13.34	13.15
National Grid	2.98	2.71	2.83	2.85
Natl Power	5.15	5.02	5.04	5.02
NatWest	8.89	8.56	8.72	8.84
Next	7.45	7.20	7.36	7.07
Norwich Union	3.60	3.25	3.56	3.51
Orange	2.37	2.25	2.28	2.30
P&O	7	6.85	6.95	6.96
Pearson	7.90	6.85	7.69	7.64
Pilkington	1.47	1.28	1.30	1.46
PowerGen	6.95	6.75	6.90	6.79
Premier Farnell	4.66	4.57	4.57	4.64
Prudential	6.70	6.20	6.68	6.53
Railtrack Gp	9.93	9.65	9.72	9.84
Rank Group	3.45	3.34	3.40	3.34
Reckitt Colm	9.10	8	8.91	8.91
Redland	3.34	3.26	3.29	3.31
Reed Intl	6.12	5.95	6.03	5.95
Rentokil Initial	2.58	2.40	2.57	2.54
Reuters Hdgs	6.69	6.47	6.57	6.48
Rexam	3.23	3.15	3.19	3.24
RTZ reg	7.98	7.80	7.91	7.86
RMC Group	9.15	9.02	9.13	9.08
Rolls Royce	2.26	2.16	2.22	2.18
Royal Bk Scot	6.80	5.87	6.45	6.50
Royal & Sun All	6	5.50	5.96	5.89
Safeway	3.95	3.80	3.87	3.85
Sainsbury	5.10	5	5.08	5.05
Schroders	18.02	16.50	17.80	17.91
Scot Newcastle	6.90	6.50	6.72	6.89
Scot Power	4.50	4.37	4.40	4.43
Securicor	2.75	2.70	2.75	2.70
Severn Trent	8.85	8.60	8.75	8.70
Shell Transp R	4.42	4.20	4.28	4.34
Siebe	11.90	11.62	11.79	11.68
Smith Nephew	1.82	1.79	1.81	1.80
SmithKline	5.78	5.58	5.67	5.62
Smiths Ind	8.90	8.57	8.80	8.77
Sthern Elec	4.60	4.46	4.51	4.40
Stagecoach	7.50	7.40	7.45	7.43
Stand Charter	7.08	6.19	6.48	6.56
Tate & Lyle	4.68	4.65	4.65	4.63
Tesco	4.98	4.75	4.79	4.78
Thames Water	8.85	8.35	8.45	8.87
3i Group	4.97	4.70	4.83	4.86
TI Group	5.51	5.33	5.44	5.31
Tomkins	3.08	2.98	3.05	3.06
Unilever	4.55	4.30	4.45	4.52
Utd Assurance	5.05	4.98	5.02	5.03
Utd News	7.85	7.20	7.33	7.41
Utd Utilities	7.38	7.17	7.34	7.30
Vendome Lx uts	3.67	3.63	3.65	3.64
Vodafone	3.42	2.85	3.37	3.27
Whitbread	8.10	7.89	8.01	7.94
Williams Hdgs	3.90	3.70	3.78	3.49
Wolseley	5.22	4.93	4.98	5.02
WPP Group	2.82	2.73	2.78	2.74
Zeneca	19.50	18.52	18.65	18.65

Madrid — Bolsa index: 571.75 Previous: 566.95

	High	Low	Close	Prev.
Acerinox	22500	21860	21890	22200
ACESA	1910	1890	1905	1900
Aguas Barcelon	5850	5760	5810	5890
Argentaria	8750	8560	8730	8480
BBV	4015	3960	4010	3960
Banesto	1370	1355	1365	1350
Bankinter	7070	7010	7070	6980
Bco Centro Hisp	2700	2645	2700	2685
Bco Popular	8970	8740	8930	8750
Bco Santander	4130	4070	4125	4105
CEPSA	4485	4320	4430	4400
Continente	2770	2750	2770	2765
Corp Mapfre	6920	6800	6800	6760
Endesa	2715	2685	2705	2690
FECSA	1150	1135	1135	1140
Gas Natural	6900	6680	6870	6650
Iberdrola	1808	1780	1800	1775
Pryca	2290	2235	2240	2225
Repsol	6410	6310	6350	6300
Sevillana Elec	1340	1315	1335	1320
Tabacalera	10750	10570	10630	10750
Telefonica	4125	4090	4110	4070
Union Fenosa	1395	1385	1395	1390
Valenc Cement	2770	2700	2760	2750

Manila — PSE index: 1908.67 Previous: 1881.34

	High	Low	Close	Prev.
Ayala B	14.50	14	14	14.25
Ayala Land	14	13.75	14	14
Bk Philip Isl	98	97	97	98
C&P Homes	2.60	2.55	2.60	2.55
Manila Elec A	67	66	66.50	66
Metro Bank	262.50	255	260	260
Petron	4.05	3.90	4.05	3.90
PCI Bank	132	131	131	132
Phil Long Dist	905	890	900	910
San Miguel B	45.50	44	45	43.50
SM Prime Hdg	6.60	6.40	6.50	6.20

Mexico — Bolsa index: 4836.41 Previous: 4853.52

	High	Low	Close	Prev.
Alfa A	64.80	63.80	64.00	64.40
Banacci B	18.94	18.30	18.56	19.30
Cemex CPO	34.30	33.60	34.00	34.08
Cifra C	14.94	14.84	14.90	14.96
Emp Modema	42.60	42.20	42.50	42.45
Gpo Carso A1	56.00	55.00	55.50	55.68
Gpo F Bcomer	3.21	3.05	3.15	3.09
Gpo Fin Inbursa	32.45	31.70	31.70	31.25
Kimb Clark Mex	37.50	36.85	37.10	37.55
Televisa CPO	144.60	143.00	144.60	144.00
TelMex L	18.88	18.46	18.74	18.80

Milan — MIB Telematico: 15033.00 Previous: 14995.00

	High	Low	Close	Prev.
Alleanza Assic	14795	14320	14330	14605
Bca Comm Ital	5010	4905	4915	4885
Bca Fideuram	6960	6800	6885	6800
Bca di Roma	1569	1535	1535	1551
Benetton	25750	24750	24750	25100
Credito Italiano	4530	4435	4500	4435
Edison	9115	8850	8850	9000
ENI	9980	9800	9800	9850
Fiat	5475	5300	5310	5265
Generali Assic	38800	38400	38650	38450
IMI	16460	16150	16200	16280
INA	2860	2790	2815	2800
Italgas	6545	6300	6500	6290
Mediaset	8250	8050	8165	7965
Mediobanca	11890	11550	11605	11570
Montedison	1375	1351	1357	1368
Olivetti	1032	1021	1025	1030
Parmalat	2415	2350	2350	2360
Pirelli	4625	4450	4625	4350
RAS	15060	14800	14875	14975
Rolo Banca	22750	22050	22050	22100
S Paolo Torino	12995	12700	12700	12725
Telecom Italia	10790	10650	10650	10635
TIM	6525	6400	6400	6405

Montreal — Industrials index: 3428.16 Previous: 3356.49

	High	Low	Close	Prev.
Bce Mob Com	44.60	44.40	44.40	44.80
Cdn Tire A	29.60	29¼	29.60	29½
Cdn Util A	40	39¾	40	39.65
CT Finl Svc	47.50	47.00	47.00	46.90
Gaz Metro	18.80	18.70	18¾	18¾
Gt-West Lifeco	33	32¾	32.80	32¾
Imasco	46.40	46.10	46.30	45⅞
Investors Grp	46½	46.15	46½	45.20
Loblaw Cos	20¼	19.90	20¼	19.90
Natl Bk Canada	20.70	20.35	20.70	20.35
Power Corp	45	44	45	43¾
Power Finl	44⅛	43⅞	44⅛	43.35
Quebecor B	30½	30.10	30.10	30½
Rogers Comm B	9.40	9.15	9.15	9.30
Royal Bk Cda	77.65	75½	77.15	75.40

Oslo — OBX index: 699.74 Previous: 696.22

	High	Low	Close	Prev.
Aker A	123	120	123	123
Bergesen Dy A	210	205	210	205
Christiania Bk	27.20	27	27.10	27.10
Den norske Bk	31.90	31.50	31.90	31.50
Elkem	109	105.50	106	108
Hafslund A	42.50	41.50	41.50	42
Kvaerner Asa	364	358	360	355
Norsk Hydro	391	388	389	383
Norske Skog A	226	223	223	222
Nycomed A	182	182	182	181.50
Orkla Asa A	636	632	635	630
Petm GeoSvc	524	520	520	510
Saga Petm A	142	140	140	142
Schibsted	137	136	136	136
Transocean Off	395	395	395	380
Storebrand Asa	51.50	51	51.50	51

Paris — CAC-40: 2822.42 Previous: 2774.90

	High	Low	Close	Prev.
Accor	1134	1056	1086	1100
AGF	307	303.10	306.70	303.10
Air Liquide	929	910	915	902
Alcatel Alsth	716	694	705	678
Axa-UAP	410.10	404.20	408.50	401.90
Bancaire	752	740	740	738
BIC	431	417	420.50	422
BNP	271.90	261	264.90	259.50
Canal Plus	1043	1013	1040	1012
Carrefour	3297	3180	3235	3124
Casino	316.90	314.70	314.90	316.70
CCF	347.80	341.50	343.70	339.20
Cetelem	646	635	640	636
Christian Dior	657	640	643	649
CLF-Dexia Fran	604	591	591	600
Credit Agricole	1200	1200	1200	1200
Danone	926	910	920	909
Elf-Aquitaine	749	720	736	716
Eridania BS	882	863	879	859
Eurodisney	7.65	7.55	7.55	7.55
Eurotunnel	5.70	5.50	5.55	5.65
France Telecom	220	216.60	217	219
Gen. Eaux	734	719	733	714
Havas	389	381	385.10	382.40
Imetal	640	631	639	633
Lafarge	364	357.10	358.50	358.90
Legrand	1127	1080	1096	1089
L'Oreal	2172	2116	2155	2072
LVMH	1039	995	1002	1006
Michelin B	328.70	313.10	314.60	312
Paribas A	432	423.10	426.90	426
Pernod Ricard	274.90	271	274	271.40
Peugeot Cit	679	658	658	663
Pinault-Print	2800	2769	2780	2728
Promodes	1927	1875	1897	1863
Renault	159.20	156.50	157.40	155.10
Rexel	1579	1550	1550	1560
Rh-Poulenc A	260.80	255.10	259.50	253.80
Sanofi	571	561	564	570
Schneider	343.70	328.20	337.50	322.30
SEB	705	675	695	680
SGS Thomson	445.20	432	433.40	441
Ste Generale	790	776	780	774
Sodexho	2975	2911	2940	2985
St Gobain	845	817	822	826
Suez (Cie)	14.75	14.35	14.75	14.65
Suez Lyon Eaux	621	610	615	603
Synthelabo	723	695	710	700
Thomson CSF	163.50	158.60	160.90	158
Total B	652	637	639	634
Usinor	98.40	96.50	97.25	96
Valeo	393.80	380.70	380.70	384.70

São Paulo — Bovespa index: 9927.51 Previous: 10254.14

	High	Low	Close	Prev.
Bradesco Pfd	9.50	8.50	8.510	8.85
Brahma Pfd	715.00	705.00	709.99	710.00
Cemig Pfd	52.490	49.00	49.490	51.00
CESP Pfd	88.00	80.00	83.00	83.00
Copel	14.00	13.60	13.60	13.80
Eletrobras	535.00	515.00	517.00	526.00
Itaubanco Pfd	530.02	530.00	530.00	518.00
Light Servicos	430.00	395.010	400.00	390.10
Lightpar	360.00	340.00	351.00	340.00
Petrobras Pfd	252.00	240.00	242.00	248.00
Paulista Luz	170.00	143.10	145.00	162.99
Sid Nacional	37.00	37.00	37.00	39.00
Souza Cruz	9.80	9.70	9.70	9.70
Telebras Pfd	127.00	120.00	120.01	126.00
Telemig	140.00	133.00	133.00	134.99
Telerj	121.50	115.00	116.00	120.00
Telesp Pfd	345.00	330.00	333.00	334.990
Unibanco	28.40	27.50	27.80	27.490
Usiminas Pfd	9.00	8.70	8.75	8.80
CVRD Pfd	25.10	24.00	24.20	24.80

Seoul — Composite index: 555.74 Previous: 542.13

	High	Low	Close	Prev.
Dacom	61900	61900	61900	57400
Daewoo Heavy	6680	6250	6330	6490
Hyundai Eng.	17200	16300	17000	16800
Kia Motors	7800	7700	7700	8000
Korea El Pwr	16600	15800	16200	15400
Korea Exch Bk	4940	4450	4700	4580
LG Semicon	21300	21300	21300	19800
Pohang Iron St	52500	50000	50500	51600
Samsung Display	39900	38500	39900	37000
Samsung Elec	51400	50100	51400	47600
Shinhan Bank	8480	7680	7960	8040
SK Telecom	387500	387500	387500	359000

Singapore — Straits Times: 1700.02 Previous: 1713.76

	High	Low	Close	Prev.
Asia Pac Brew	4.90	4.90	4.90	4.84
Cerebos Pac	4.86	4.70	4.80	4.68
City Devlts	7.50	7.30	7.40	7.50
Cycle Carriage	7.90	7.40	7.90	7.80
Dairy Farm Int*	0.86	0.85	0.86	0.84
DBS foreign	15.50	14.90	15.20	15.10
DBS Land	3.06	2.94	3.02	2.99
Fraser & Neave	8.65	8.30	8.40	8.90
HK Land*	2.50	2.36	2.50	2.46
Jard Matheson*	6.90	6.35	6.90	6.30
Jard Strategic*	3.38	3.32	3.32	3.34
Keppel A	5.35	5.05	5.10	5.35
Keppel Bank	2.87	2.81	2.81	2.82
Keppel Fels	4.46	4.40	4.44	4.60
Keppel Land	2.55	2.37	2.41	2.50
OCBC foreign	9.90	9.40	9.50	9.50
OS Union Bk F	6	5.55	5.75	5.65
Parkway Hdgs	4.48	4.10	4.30	4.48
Sembawang	5.30	5.10	5.15	5.50
Sing Air foreign	12.30	11.90	11.90	12.30
Sing Land	4.82	4.56	4.62	4.80
Sing Press F	23.60	22.30	23	22.50
Sing Tech Ind	2.40	2.32	2.36	2.39
Sing Telecomm	2.63	2.53	2.62	2.61
Tat Lee Bank	2.56	2.52	2.54	2.54
Utd Industrial	0.85	0.80	0.85	0.83
Utd OSea Bk F	10.10	9.75	9.90	9.85
Wing Tai Hdgs	2.27	2.12	2.21	2.13

*: in U.S. dollars.

Stockholm — SX 16 index: 3251.82 Previous: 3211.21

	High	Low	Close	Prev.
AGA B	97.50	95.50	97	95.50
ABB A	91	88.50	90	87.50
AssiDoman	219	212	214	216
Astra A	123	120.50	121	121.50
Atlas Copco A	235	227	230	226.50
Autoliv	306.50	303	303	305.50
Electrolux B	662	640	650	653
Ericsson B	356.50	350.50	354.50	344.50
Hennes B	329	321	328	318
Incentive A	665	660	660	663
Investor B	363	360	360	356.50
MoDo B	219	209	211	212.50
Nordbanken	264.50	260	264.50	259.50
Pharm/Upjohn	246.50	241	246.50	244.50
Sandvik B	239	231	232.50	229
Scania B	187	184.50	184.50	184.50
SCA B	168	161.50	163	165
S-E Banken A	83.50	81.50	82	81.50
Skandia Fors	361	357	360	359.50
Skanska B	291	286.50	290	289
SKF B	184	175.50	180.50	175
Sparbanken A	178.50	173	178.50	177.50
Stora A	104	102	102.50	103.50
Sv Handels A	250	246	248	245
Volvo B	202	199	200.50	200

Sydney — All Ordinaries: 2545.80 Previous: 2551.40

	High	Low	Close	Prev.
Amcor	7.02	6.85	7	6.92
ANZ Bkng	10.38	10.13	10.28	10.42
BHP	14.55	14.39	14.48	14.50
Boral	3.89	3.78	3.84	3.90
Brambles Ind.	28.27	27.10	28.20	28.48
CBA	17.41	17.10	17.38	17.50
CC Amatil	12.20	11.95	12.07	12.16
Coles Myer	7.25	7.02	7.24	7.09
Comalco	6.30	6.14	6.20	6.36
CSR	5	4.92	4.99	5
Fosters Brew	2.79	2.74	2.78	2.76
Goodman Fld	2.20	2.18	2.20	2.18
ICI Australia	11.01	10.92	11	10.95
Lend Lease	29.12	28.25	28.59	29.24
MIM Hdgs	1.27	1.25	1.27	1.27
Nat Aust Bank	21.22	20.64	21.22	20.84
Nat Mutual Hdg	2.49	2.32	2.37	2.54
News Corp	6.99	6.78	6.96	6.76
Pacific Dunlop	3.08	3.01	3.08	3.05
Pioneer Intl	3.78	3.71	3.72	3.78
Pub Broadcast	8.65	8.55	8.65	8.70
Rio Tinto	17.35	17.20	17.25	17.35
St George Bank	8.72	8.65	8.70	8.70
WMC	5.29	5.18	5.22	5.20
Westpac Bkng	8.78	8.58	8.76	8.68
Woodside Pet	12.25	12.02	12.20	12.25
Woolworths	4.72	4.59	4.72	4.71

Taipei — Stock Market index: 7864.22 Previous: 7785.32

	High	Low	Close	Prev.
Cathay Life Ins	143	140	143	143
Chang Hwa Bk	100	98	99	100
Chiao Tung Bk	70.50	68	70.50	71.50
China Developmt	95	92	95	94
China Steel	25	24.40	24.60	24.50
First Bank	100	98	98.50	100
Formosa Plastic	55	53.50	54.50	53.50
Hua Nan Bk	106	104	106	106
Intl Comm Bk	58.50	57	58	58.50
Nan Ya Plastics	56	54.50	54.50	55.50
Shin Kong Life	95	90	95	92.50
Taiwan Semi	118.50	112	118.50	111
Tatung	32	31.40	31.50	32
Utd Micro Elec	70	67	70	69
Utd World Chin	60.50	59	60	60

Tokyo — Nikkei 225: 16448.05 Previous: 16580.18

	High	Low	Close	Prev.
Ajinomoto	1140	1100	1140	1090
All Nippon Air	603	595	602	597
Amway	3250	3110	3180	3250
Asahi Bank	605	577	584	622
Asahi Chem	526	521	526	524
Asahi Glass	814	800	814	805
Bk Tokyo Mitsu	1660	1620	1630	1630
Bk Yokohama	491	480	491	491
Bridgestone	2550	2480	2520	2540
Canon	3030	2990	3030	3030
Chubu Elec	2040	2000	2030	2030
Chugoku Elec	1940	1930	1940	1930
Dai Nipp Print	2370	2320	2370	2350
Daiei	570	561	570	565
Dai-Ichi Kang	1050	1030	1050	1050
Daiwa Bank	443	407	410	442
Daiwa House	1160	1120	1140	1160
Daiwa Sec	720	699	709	722
DDI	3880a	3580a	3690a	3810a
Denso	2420	2260	2390	2420
East Japan Ry	5800a	5700a	5750a	5730a
Eisai	1830	1740	1790	1840
Fanuc	4930	4820	4890	4890
Fuji Bank	1070	1020	1040	1070
Fuji Photo	4440	4340	4360	4400
Fujitsu	1340	1300	1330	1340
Hachijuni Bk	1180	1160	1170	1170
Hitachi	955	942	953	960
Honda Motor	4150	4060	4120	4120
IBJ	1230	1170	1190	1240
IHI	280	265	272	277
Itochu	415	405	406	402
Ito-Yokado	6000	5950	6000	5970
JAL	449	436	442	436
Japan Tobacco	9870a	9680a	9680a	9970a
Jusco	2660	2540	2560	2700
Kajima	531	518	529	520
Kansai Elec	2150	2090	2120	2140
Kao	1680	1670	1680	1680
Kawasaki Hvy	296	291	293	288
Kawa Steel	215	209	215	209
Kinki Nipp Ry	686	672	684	678
Kirin Brewery	1010	993	996	1000
Kobe Steel	144	140	141	141
Komatsu	639	615	620	649
Kubota	475	428	431	476
Kyocera	7090	6980	7080	7030
Kyushu Elec	1990	1960	1970	1960
LTCB	400	378	379	401
Marubeni	363	350	361	355
Marui	2120	2050	2120	2070
Matsu Comm	3800	3680	3730	3790
Matsu Elec Ind	2060	2030	2050	2040
Matsu Elec Wk	1130	1100	1110	1120
Mitsubishi	998	989	992	1010
Mitsubishi Ch	275	260	267	273
Mitsubishi El	409	400	401	412
Mitsubishi Est	1590	1540	1580	1540
Mitsubishi Hvy	582	569	575	570
Mitsubishi Mat	502	484	484	512
Mitsubishi Tr	1510	1470	1470	1520
Mitsui	930	920	923	920
Mitsui Fudosn	1380	1350	1380	1360
Mitsui Trust	415	390	398	415
Murata Mfg	5110	5110	5110	4900
NEC	1360	1330	1350	1340
Nikon	1520	1450	1520	1420
Nikko Sec	443	426	433	443
Nintendo	11300	11100	11200	11300
Nipp Express	643	628	628	643
Nippon Oil	481	471	477	485
Nippon Steel	256	251	255	259
Nissan Motor	658	644	646	660
NKK	165	157	159	163
Nomura Sec	1430	1400	1410	1420
NTT	1050b	1020b	1040b	1050b
NTT Data	5950b	5750b	5890b	5870b
Oji Paper	606	597	597	600
Osaka Gas	277	271	272	274
Ricoh	1620	1580	1600	1590
Rohm	12900	12500	12900	12500
Sakura Bk	505	480	480	501
Sankyo	3990	3830	3970	3700
Sanwa Bank	1260	1200	1210	1240
Sanyo Elec	393	368	390	382
Secom	7850	7700	7740	7840
Seibu Rwy	4950	4850	4860	4840
Sekisui Chem	937	934	937	935
Sekisui House	1040	1020	1030	1020
Seven-Eleven	9090	9000	9070	8980
Sharp	942	926	942	935
Shikoku El Pwr	1950	1940	1940	1930
Shimizu	532	520	526	516
Shin-etsu Ch	3150	3010	3060	3080
Shiseido	1660	1640	1650	1680
Shizuoka Bk	1250	1230	1250	1250
Softbank	3850	3560	3600	3830
Sony	10800	10400	10700	10500
Sumitomo	846	840	844	845
Sumitomo Bk	1320	1260	1280	1310
Sumit Chem	443	431	440	438
Sumitomo Elec	1620	1600	1610	1600
Sumit Metal	266	248	262	247
Sumit Trust	920	900	900	947
Taisho Pharm	3100	3000	3080	3050
Takeda Chem	3500	3330	3500	3360
TDK	11800	10700	11700	10200
Tohoku El Pwr	1970	1950	1970	1960
Tokai Bank	719	675	677	719
Tokio Marine	1200	1180	1180	1190
Tokyo El Pwr	2300	2260	2280	2300
Tokyo Electron	6650	6300	6650	6300
Tokyo Gas	283	277	278	278
Tokyu Corp.	519	511	517	510
Tonen	875	865	870	918
Toppan Print	1540	1500	1530	1490
Toray Ind	647	614	619	648
Toshiba	553	540	542	553
Tostem	1510	1420	1460	1550
Toyo Trust	863	820	825	883
Toyota Motor	3340	3290	3300	3360
Yamanouchi	2990	2950	2980	2980

a: x 100; b: x 1,000

Toronto — TSE Industrials: 6979.53 Previous: 6927.86

	High	Low	Close	Prev.
Abitibi Cons.	20.35	20.10	20.15	20¼
Alberta Energy	33¼	33	33.20	32.95
Alcan Alum	40.80	40½	40.60	40.55
Anderson Expl	15.70	15½	15½	15.65
Bk Montreal	65.60	63.20	65.60	63.40
Bk Nova Scotia	64.45	63.10	64.40	63¼
Barrick Gold	28¾	28¼	28.45	28.70
BCE	41.85	40½	41.85	40.40
BC Telecomm	37¼	37.05	37.20	37
Biochem Pharm	37.15	37.15	37.15	38.45
Bombardier B	28.15	27.70	27.90	27.95
Cameco	54.80	54¼	54.80	54.30
CIBC	44.45	43.15	44.40	42.95
Cdn Natl Rail	78	77.30	77.40	77.80
Cdn Nat Res	41	40	40½	40¾
Cdn Occid Pet	36¼	35.95	36	36¼
Cdn Pacific	43.45	43.10	43.20	43.10
Cominco	28.60	27.85	28⅛	27.85
Dofasco	25.45	25¼	25.35	25.35
Domtar	11.05	10.90	11	10.95
Donohue A	28¾	28½	28¾	28¼
Du Pont Cda A	34.95	34.30	34.30	34¼
EdperBrascan	25.15	24¾	25.05	24.85
EuroNev Mng	22.45	22.85	22¾	22.55
Fairfax Finl	350	344	350	346.95
Falconbridge	20.60	19.85	20.35	20.60
Fletcher Chall A	22	21	22	21
Franco Nevada	33¼	32¾	33	32.85
Gulf Cda Res	12	11.80	11.90	11.80
Imperial Oil	89.55	89	89	89.60
Inco	28.60	27.90	28.05	28.30
IPL Energy	55.30	54.45	55	54.10
Laidlaw B	20¼	19.90	20	20.10
Loewen Group	34.85	33¾	33¾	34.30
Macmill Bldl	18.35	18.15	18.30	18.30
Magna Intl A	93	91¼	92	92½
Methanex	12.85	12.70	12.85	12¼
Moore	22.40	21¾	21.85	22.15
Newbridge Net	69.40	65.90	68.30	67.20
Noranda Inc	25.05	24.70	24.95	25
Norcen Energy	31.85	31¼	31.85	31.65
Nthern Telecom	135½	131.05	135½	130
Nova	13.40	12.90	13.35	12.85
Onex	36¾	36½	36½	36.95
Pancan Petm	23	22½	22.45	22.10
Petro Cda	29.30	28¾	28¾	29.15
Placer Dome	21.65	21.10	21¼	21.70
Poco Petm	14½	13.55	13.80	14.35
Potash Sask	122.20	120	121½	120
Renaissance	32¼	31	32.10	32.70
Rio Algom	26.80	26.30	26.30	26½
Rogers Cantel B	22½	22½	22½	23
Seagram Co	48.15	47.40	47¾	48.05
Shell Cda A	28.45	28	28.15	28¼
Suncor	52.95	52.40	52.45	52.40
Talisman Eny	50½	49.15	49¼	50.40
Teck B	25	23½	24	23½
Teleglobe	46.20	45.90	46.10	45.90
Telus	30.60	29½	30½	29.40
Thomson	34	33½	33.95	33.95
TorDom Bank	54.70	53.40	54.65	53.40
Transalta	20.10	19¾	20.05	19.70
TransCda Pipe	27.20	26.80	27.10	26¾
Trimark Finl	74½	73½	73.85	72.70
Trizec Hahn	36.40	35.90	36.10	36.20
TVX Gold	6	5.85	5.90	6
Westcoast Eny	30½	29.95	30	30
Weston	100	99.40	99.95	99.60

Vienna — ATX index: 1317.09 Previous: 1309.27

	High	Low	Close	Prev.
Boehler-Uddeh	884.80	860.10	880	854.90
Creditanst Pfd	693	637	646.90	688
EA-Generali	2900	2840	2870	2820
EVN	1500	1482	1493	1481
Flughafen Wien	509	501.50	508	502
OMV	1819	1782	1812	1770.10
Oest Elektriz	957	946	956	944
VA Stahl	535	501	525	497
VA Tech	2170	2084	2102	2084
Wienerberg Bau	2442.05	2407	2436	2472

Wellington — NZSE-40 index: 2474.68 Previous: 2478.82

	High	Low	Close	Prev.
Air N Zeald B	3.47	3.42	3.47	3.49
Brierly Invt	1.25	1.22	1.25	1.24
Carter Holt ord	2.97	2.92	2.94	2.95
Fletch Ch Bldg	5.10	4.99	5.10	5.08
Fletch Ch Eny	7.52	7.40	7.45	7.54
Fletch Ch Forst	1.65	1.60	1.64	1.62
Fletch Ch Paper	2.70	2.63	2.70	2.68
Lion Nathan	4.03	4.00	4.03	4.03
Telecom NZ	8.60	8.30	8.60	8.55
Wilson Horton	11.10	11.10	11.10	11.00

Zurich — SPI index: 3547.50 Previous: 3514.89

	High	Low	Close	Prev.
ABB B	1840	1810	1835	1780
Adecco B	454	445	448	443
Alusuisse R	1309	1279	1298	1279
Ares-Serono B	2640	2575	2599	2610
Atel R	840	835	840	835
Baer Hdg B	2095	2070	2085	2080
Baloise Hdg R	2595	2530	2578	2578
BK Vision	1250	1225	1244	1215
Ciba Spec Chem	146	143.50	145.50	144
Clariant R	1094	1072	1080	1067
Crd Suisse Gp R	208.25	204.25	205	205.50
Elektrowatt B	540	538	540	539
Ems-Chemie	6900	6870	6900	6870
ESEC Hdg	4330	4100	4270	4120
Holderbank B	1197	1170	1175	1163
Liechtenst LB B	539	539	539	534
Nestle R	2025	1981	1992	2002
Novartis R	2229	2202	2222	2185
Oerlikon Buehr R	182.50	177	180	177.25
Pargesa Hld B	1800	1780	1800	1800
PharmVisn B	840	830	840	825
Richemont A	1735	1690	1690	1710
Pirelli PC	309	303	304	301.50
Roche Hdg PC	12740	12605	12690	12560
SBC R	389	381.50	388.50	374
Schindler PC	1559	1525	1530	1550
SGS B	2745	2650	2680	2720
SMH B	780	769	775	772
Sulzer R	1014	980	990	997
Swiss Reins R	2192	2152	2187	2153
SAir Group R	1928	1909	1923	1903
UBS B	1719	1694	1708	1675
Winterthur R	1530	1495	1505	1520
Zurich Assur R	593	587	590	585

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	168.48	+0.67	+0.40	+12.97
Regional Indexes				
Asia/Pacific	100.29	-1.47	-1.44	-18.75
Europe	188.48	+1.25	+0.67	+16.92
N. America	206.95	+2.07	+1.01	+27.82
S. America	148.06	-1.56	-1.04	+29.39
Industrial Indexes				
Capital goods	213.26	+2.09	+0.99	+24.77
Consumer goods	197.28	+0.82	+0.42	+22.20
Energy	199.50	-0.48	-0.24	+16.86
Finance	119.88	+0.29	+0.24	+2.78
Miscellaneous	165.33	+0.24	+0.15	+2.19
Raw Materials	172.79	+2.40	+1.41	-1.48
Service	163.99	+0.23	+0.14	+19.42
Utilities	163.75	+0.62	+0.38	+14.14

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — *Compiled by Bloomberg News*

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NASDAQ

Wednesday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Wednesday's 4 P.M. Close

(Continued)

صكنا من الاصل

IBM to Help Dongbu Join South Korea's Chipmakers

Compiled by Our Staff From Dispatches

SEOUL — Dongbu Group said Wednesday that it would enter the crowded semiconductor business, spending $2 billion to make advanced-memory chips in a technology partnership with International Business Machines Corp.

Dongbu said it would bear the financial risk in return for advanced technology from IBM. It said production would start in 1999 and that IBM would buy the venture's full output in the first year.

But analysts said Dongbu could have trouble meeting the industry's heavy investment requirements and that there could be a global oversupply of memory chips by the time the Dongbu plant was operating.

"On top of the initial investment, Dongbu will have to spend like crazy to upgrade its facilities," said Koo Hee Jin, an analyst at Daishin Economic Research Institute. "I wonder how the group will get all the money it needs."

But Han Shin Hyum, president of Dongbu Electronics Co., brushed aside fears of a glut in the industry.

"The semiconductor industry is a promising industry with a growth of more than 20 percent a year," he said. "We are sure we can make money in the semiconductor business, and I don't think our company's advance will cause a glut, as most of our products will be exported." *(Bloomberg, Reuters)*

Foreign Bargain-Hunters Pile Into Asia

By Sandra Sugawara
Washington Post Service

BANGKOK — Even as foreigners flee Asian stock markets amid the region's financial turmoil, a different breed of foreign investor is prowling the region, preparing to buy up whole companies at fire-sale prices.

Currency devaluations and general economic difficulties have made many companies much cheaper to buyers who have dollars.

"Bangkok is swarming with people looking," said an American mergers-and-acquisitions specialist visiting here recently. So are Jakarta and Seoul. Malaysia is attracting some buyers as well, although market problems there have not been as severe, so there are fewer bargains so far, he said.

Foreign buyers started browsing earlier, but as the region's economies began hitting the skids about three months ago, interest really picked up, said Timothy Dattels, the Hong Kong-based managing director of the investment-banking division of Goldman Sachs (Asia).

Mr. Dattels said the currency devaluations in Asia, as well as the falling value of stocks in the region, meant that foreign buyers could acquire companies for almost 50 percent off their price a year ago. A foreign investor bringing $1 million to Thailand, for instance, can convert it to about 40 million baht now, compared with just 25 million baht in June.

Many Asian companies, including telecommunications concerns, banks, hotels and smaller technology companies, say privately that they have held talks with American, European, Chinese and other Asian potential buyers.

The buying threatens to spark a nationalist backlash, as happened in the United States in the late 1980s when a devalued dollar helped Japanese investors buy big-name companies and buildings.

Selling to foreigners, said one Thai businessman, is "a bit like chemotherapy," in that it may prevent death but only through painful treatment. In many cases, foreign buyers want management control of the companies. Some Thai academics and politicians have called this a first step toward economic colonization of the country by Americans and Europeans.

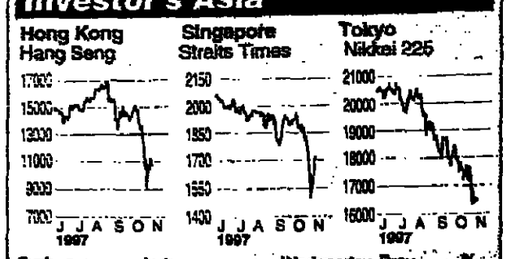
"Thailand has never been colonized before," said Charnchai Charuvastr, president of Samart Corp., a Bangkok-based telecommunications company. "That's why we're called Thailand — land of the free. So it's more difficult for us. It's an emotional issue."

The U.S. consumer-goods giant Procter & Gamble Co. said last week that it would acquire control of Ssangyong Paper Co., a leading Korean producer of tissues and paper towels. Ssangyong, one of South Korea's leading conglomerates, is selling the paper subsidiary to help pay billions of dollars in debts accumulated by Ssangyong Motor Co.

When Thailand allowed its currency to float July 2, it altered the economic picture in the region, and other regional currencies and stock markets soon were plunging as well. Banks in Thailand, Indonesia and South Korea, already burdened with mountains of bad debt, were poorly prepared to weather the onslaught.

Now many local companies are scrambling to find capital. With foreign banks wary of making new loans to businesses in the region, that can mean that local companies need to take on foreign partners.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,591.75	10,780.78	-0.92
Singapore	Straits Times	1,700.02	1,713.76	-0.80
Sydney	All Ordinaries	2,545.80	2,551.60	-0.23
Tokyo	Nikkei 225	16,448.05	16,605.16	-0.92
Kuala Lumpur	Composite	733.76	726.94	+1.06
Bangkok	SET	487.11	478.39	+1.84
Seoul	Composite Index	555.74	542.13	+2.51
Taipei	Stock Market Index	7,864.22	7,785.52	+1.01
Manila	PSE	1,900.67	1,881.14	+1.04
Jakarta	Composite Index	490.99	494.85	-0.78
Wellington	NZSE-40	2,474.60	2,470.02	+0.18
Bombay	Sensitive Index	3,778.23	3,805.95	-0.73

Source: Telekurs International Herald Tribune

Japanese Companies Will Declare War on Racketeers

Agence France-Presse

TOKYO — Alarmed by a rising tide of scandals involving gangsters, Japan's top business group said Wednesday that it and more than 1,000 enterprises would declare war against corporate racketeers.

The powerful Keidanren has called an emergency meeting Friday of 900 company chairmen and presidents with Keidanren's chief, Shoichiro Toyoda, chairman of Toyota Motor Corp.

"Our chairman will call on members to review the management process in their enterprises in order to cut all links with *sokaiya* and that sort of thing," Hideaki Tanaka, the Keidanren spokesman, said Wednesday.

Sokaiya extort money by purchasing shares in companies and then threatening to disrupt shareholder meetings or to disclose damaging information.

Often paid off through front companies, sokaiya also receive money through subscriptions from their victims for "industry magazines" owned by the underworld and through advertising placed in the magazines.

According to the business daily Nihon Keizai Shimbun, 1,200 companies in Tokyo have already publicly declared the breaking of all links with sokaiya.

Seven large companies have also announced plans to create an organization aimed at considering a corporate "ethics code."

The organization would gather the leaders of Toyota, Matsushita Electric Industrial Co., Tokyo Electric Power, Tokyo Gas, Shiseido Co., Fuji Xerox and Yokogawa Denki.

According to the Nihon Keizai Shimbun, those seven companies will put in as much as 30 million yen ($246,000) each to finance the organization, to be set up by the end of this month. Some 200 to 300 other companies are expected to join by then.

Very briefly:

• **The Philippines'** highest court declared unconstitutional a law ending two decades of state controls on oil prices, striking down a pillar of the government's economic reform program. The decision drew condemnation from businesses and a warning from the International Monetary Fund that the economy would suffer.

• **India** postponed a $750 million issue of global depository receipts in state-run **Gas Authority of India Ltd.**, citing turbulence in world markets.

• **Cathay Pacific Airways Ltd.** said it expected the slump in its passenger traffic to persist at least until 1999. The Hong Kong-based carrier has been hurt by the currency crisis in Southeast Asia and a decline in tourist traffic since the former British colony was returned to Chinese control July 1.

• **The Group of 15** developing nations ended its summit meeting and said it would reconvene in six months to discuss the effects of currency and financial-market turmoil on its members. The group also urged the adoption of rules to reduce market volatility.

• **Kerry Group PLC**, Ireland's biggest food company, will buy **SDF Foods** of Malaysia for 6.6 million punts ($9.9 million) to expand Kerry's manufacturing presence in Asia.

• **Indocam Asia**, the asset-management unit of **Credit Agricole Indosuez**, hired as its regional strategist Miron Mushkat, chief Asian economist for **Lehman Brothers Inc.** and one of the region's best-known economists.

• **Japan's** five biggest television networks will maintain their rise in profits in the current business year, which ends in March, helped by an increase in advertising revenue despite a weak economy, analysts said. The networks will release first-half results and full-year earnings forecasts Friday.

• **The World Bank** has approved a $285 million loan to **Pakistan** to improve irrigation systems and crop yields.

• **Hongkong Telecommunications Ltd.** won a license to operate a video-on-demand service in the territory.

AFP, AP, Bloomberg, Reuters

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NOMURA SECURITIES CO., LTD. (CDRs)

The undersigned announces that as from November 11, 1997 at Kas-Associatie N.V., Amsterdam div. cpn. no. 57 (accompanied by an "Affidavit") of the CDRs The Nomura Securities Co., Ltd. will be payable with Dfls. 13.79 per CDR, repr. 100 shs. and with Dfls. 137.90 per CDR. repr. 1.000 shs. (div. per rec-date 31.03.97, gross Yen 11,– p. sh.) after deduction of 15% Japanese tax = Yen 150 = Dfls. 2,44 per CDR repr. 100 shs., Yen 1.500,– = Dfls. 24,40 per CDR repr. 1,000 shs., Without an Affidavit 20% Japanese tax = Yen 200,– = Dfls. 3,25 per CDR repr. 100 shs., Yen 2.000, = Dfls. 32,50 per CDR repr. 1,000 shs., will be deducted.

After 30.09.97 the dividend will only be paid under deduction of 20% Jap. tax with Dfls. 12,98; Dfls. 129,80 repr. resp. 100 and 1,000 shs., in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, November 3, 1997

LEATHER: *Italy's Northern Enterprise Belt Is Pulling the Country Into Europe*

Continued from Page 13

in northern Italy's entrepreneurial belt. Mr. Zini's tannery, though with 120 workers it is larger than most, is typical of the mom-and-pop manufacturing businesses that have transformed Vicenza Province since the end of World War II into one of Europe's richest regions, boasting annual exports greater than those of Greece and an unemployment rate of barely 3 percent.

Helped by an anemic lira that made its exports to Europe cheap and by its own business acumen, the Zini operation boomed in the 1960s and '70s.

For a while, no one minded much that Italian governments came and went. "We declared we made no money when in fact we made a lot," Mr. Zini said. "The government gave us the space to do this. Until the 1980s it was a cash business. But in the last five or six years, that's completely disappeared."

So has the complacency about Rome's neglect. As northern Italian companies became major players in European markets through their exports, they began to feel the pinch of inferior infrastructure and ferociously high — if not always strictly observed — taxes.

Both became the focus of complaints from companies that feared they could not withstand the competition from other Europeans and aggressive new exporters in East Asia. In the past year, the complaints have been seized upon by Umberto Bossi and his secessionist Northern League, which advocates an independent republic in the north, free of Rome's control — specifically, Rome's top corporate tax rate of 53 percent and its heavy subsidies for poorer southern Italy.

Popular support for outright independence for northern Italy is limited, but many in the north see greater regional autonomy and the integration of Europe's economies as twin levers that may pry a better deal out of Rome.

So far, however, Italy's push to be part of the euro has meant more pain than gain for many companies in the north. The government's tight-money policies, designed to meet yardsticks for admission to the euro club, have driven up the value of the lira against major European currencies, making Italian exports more expensive in their main markets. The one-time-only euro tax has taken a bite out of profits. Many companies have been forced to modify some products to fulfill European safety standards and other requirements.

For tanneries such as Mr. Zini's, profit margins that used to run at 10 percent and higher are now down to 2 or 3 percent.

"For tomorrow it's very important to be inside Europe," Mr. Zini said. "But in the short term, this is a painful thing."

ECO-EFFICIENCY: THE BUSINESS LINK TO SUSTAINABLE DEVELOPMENT

World Business Council for Sustainable Development

(SEVENTH IN A SERIES)

In 1992, business received a wake-up call at the Earth Summit in Rio. The message was clear: Companies needed to take urgent environmental action. Eco-efficiency was the response they formulated.

Since then, eco-efficiency has come a long way. Not only are companies applying it, but non-governmental organizations (NGOs) are also spreading their experiences around the world, and governments are incorporating it into their policies.

In a new book, "Eco-efficiency: The Business Link to Sustainable Development," the World Business Council for Sustainable Development (WBCSD) examines the breadth of environmental progress under way in industry and provides a road map for business to become sustainable.

What is eco-efficiency?
Eco-efficiency is a management approach developed by the WBCSD that allows companies to improve their environmental performance while meeting the demands of the market. The vision of eco-efficiency is "to produce more from less": less waste and pollution, less energy and fewer raw materials. Eco-efficiency is about finding the right balance between sound economics and sound ecology.

Eco-efficiency takes people, commitment from the top, vision and time to happen. Effective leadership is indeed perhaps the single most important requirement. CEOs must understand that they are also Chief Environmental Officers, and that if they do not support eco-efficiency through words and action, change simply will not happen.

Eco-efficiency is more than business as usual. It requires major changes in philosophy, products and processes. It does not call for companies to abandon their current practices and systems, but to integrate its principles throughout their activities — from R&D to marketing and advertising.

"We aggressively seek out eco-efficiencies — ways of doing more with less — because it makes us more competitive when we reduce and eliminate waste and risk from our products and processes. And it saves us money."
SAMUEL JOHNSON, CHAIRMAN, S.C. JOHNSON & SON

Ultimately, eco-efficiency can enhance a company's reputation and image, which are vital to corporate success. It gives customers confidence in making purchases, improves employee morale, and helps recruitment and retention.

Those who think that eco-efficiency is for rich corporations in the rich North are wrong. Action is possible in every kind of company, from multinationals to small enterprises in Africa, Asia and Latin America. The WBCSD's regional and national BCSDs offer many examples of companies in developing countries reaping benefits from eco-efficiency by using less resource material.

Why should companies adopt eco-efficiency?
Pressures are mounting from governments, NGOs and consumers for business to take more responsibility for its actions and to provide goods and services that do not depreciate nature's capital.

But simply responding to pressure is not enough to achieve sustainable development, to retain the social legitimacy of business or to prosper in the sustainability-shaped markets of tomorrow. Business has a real responsibility in providing leadership for sustainable development. More and more companies know that long-term success belongs to those that not only comply with environmental standards, whether mandated or self-imposed, but also do so more efficiently and effectively than others.

If companies can demonstrate more voluntary action, governments need to design innovative and pragmatic policies that energize and enable the whole of society to become more sustainable.

How can companies progress faster?
Business cannot do the job on its own. It needs to partner with society to accelerate the drive toward eco-efficiency and be rewarded for its initiatives.

For instance, society and business could develop a partnership, with business committing itself to higher environmental standards in exchange for greater regulatory flexibility. Governments could also make more use of market forces by favoring economic incentives.

This does not mean "get the regulator off our backs" by preventing regulation. It simply means helping business to foster innovation and sustainable technologies by setting up adequate framework conditions.

In the past, business leaders have sometimes been at odds with governments and NGOs, but they now increasingly understand the value of partnerships. Practically inconceivable five years ago, new alliances are building up between environmental activists and corporate executives throughout the world.

What will tomorrow bring?
Environmental concerns are no longer outside the financial ambit, and this trend is strengthening within the financial world. Investors, bankers and insurers are starting to look at environmental costs and liabilities of companies, and how these affect profits and overall performance.

The financial benefits of environmental action are not always easy to calculate. They can take time to materialize and can take the form of avoided cost rather than visible extra cash flows. Yet, the many examples given in "Eco-efficiency: The Business Link to Sustainable Development" illustrate that they are real and significant, and will become even more so in coming years.

"Eco-efficiency contains both a vision and management tools for a great 21st century. If all businesspeople and policymakers would follow, the world would be better off."
ERNST ULRICH VON WEIZSÄCHER, PRESIDENT, WUPPERTAL INSTITUTE FOR CLIMATE, ENVIRONMENT, AND ENERGY

But the crux of the argument is not that business should adopt eco-efficient practices because it's "a good thing," but rather because it makes good business sense. In other words, eco-efficiency is a win-win concept: It yields environmental benefits by conserving energy and materials while simultaneously producing economic, bottom-line improvements. What more can business ask for?

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What Is the WBCSD?

A business group of 130 companies from 37 countries, sharing a commitment to the principles of economic growth and sustainable development.

The WBCSD aims to participate in policy development in order to create a framework that allows business to contribute effectively to sustainable development. It promotes eco-efficiency and encourages high standards of environmental management in business. The WBCSD also benefits from a regional network located in developing countries and countries in transition, representing more than 700 business leaders.

The WBCSD publishes reports and books on a wide range of business- and environment-related topics. Contact E&Y, tel.: (44 1202) 244 032; fax: (44 1202) 244 034; e-mail: marketing@ed-youth.com.

THE BOOK

ECO-EFFICIENCY: THE BUSINESS LINK TO SUSTAINABLE DEVELOPMENT is co-authored by Livio D. DeSimone, WBCSD Chairman and CEO, 3M, and Frank Popoff, Chairman, The Dow Chemical Company, with the World Business Council for Sustainable Development.

The book represents the collective thought of many members of the WBCSD and builds on the findings of the working group on eco-efficiency. It outlines the principles of eco-efficiency and shows the experiences of companies from developed and developing countries. It also provides guidance for companies to overcome internal and external barriers and move toward eco-efficiency.

Yet, this concept is still a "work in progress." As companies continue to learn, they need to adapt their practices and policies accordingly to demonstrate they are applying the principles of eco-efficiency and helping to protect the environment while stimulating the economic development society needs.

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WORLD ROUNDUP

Muster Is Miffed

TENNIS Karol Kucera of Slovakia upset the fifth-seeded Thomas Muster, 4-6, 6-3, 6-3, in a second-round match at the Stockholm Open on Wednesday.

A former world No. 1 from Austria, Muster angrily smashed his racket on the court after double-faulting on match point and may be fined. Muster, a wild-card entry in the indoor tournament at the Royal Tennis Hall, still has a chance to qualify for the ATP Tour World Championship next week.

Four players are still in the running for the two remaining places, which are awarded under a complex points system. The others are Sergi Bruguera, Marcelo Rios and Yevgeni Kafelnikov. Neither is playing in Stockholm this week.

Pete Sampras and Michael Chang of the United States, Pat Rafter of Australia, Jonas Bjorkman of Sweden, Greg Rusedski of Britain and Carlos Moya of Spain have already qualified for the tourney in Hannover, Germany. *(AP)*

Foley Gets Parcells' Nod

FOOTBALL Glenn Foley will replace Neil O'Donnell at quarterback for the New York Jets on Sunday at Miami, Coach Bill Parcells said Wednesday. "He has done a consistently good job for us and I always have felt good about him," Parcells said of Foley, who came off the bench in the last two games to lead the Jets to victories. "That's not to say I haven't felt good about Neil; I did." *(AP)*

Jones Backs Switzer

FOOTBALL The Dallas Cowboys' owner, Jerry Jones, has said he does not plan to fire Coach Barry Switzer. The Washington Post quoted NFL sources on Wednesday as saying that Switzer might be fired as early as next week and replaced by the club's scouting director, Larry Lacewell. "That is not true," Jones told the Fort Worth Star-Telegram. "I have repeatedly said that Barry Switzer is the coach of the Cowboys and will continue to be coach of the Dallas Cowboys." Dallas (4-5) faces an uphill battle to make the playoffs. *(AP)*

French Soccer Teams Taking Their Lumps

Only 2 Remain in Contention for UEFA Cup

By Peter Berlin
International Herald Tribune

LYON — French soccer's season of dreams took a nasty knock this week.

France started the season with a record 10 clubs in the various European cups. Seven were in the UEFA Cup, and five were still alive in that competition going into Tuesday's second-round, second-leg matches. But at the end of the night, only two teams were left — Strasbourg and Auxerre.

Four of the five French teams had entered Tuesday's matches strongly placed. None better, it seemed, than Olympique Lyonnais, an astounding 2-1 winner in Milan two weeks earlier. But Lyon lost, 3-1, at home, and was eliminated on aggregate.

In defeat, Lyon provided a demonstration of the strength and weakness of French soccer. Nine of Lyon's starting 11 are products of the club's fecund youth-development program, as were four of the players on the bench. The team finished the match with five homegrown players — each of them 21 years old or younger — on the field.

THE UEFA CUP

Only one of the 18 men who dressed for Inter Milan came through that club's youth system and, at 33, Guiseppe Bergomi is hardly evidence of a current commitment to develop talent.

But while Lyon's young French lions offer hope for the future, it may not be Olympique's future, and that's the heart of the problem: France develops strong players, but its teams can't seem to hold on to them.

The two most influential French men on the field on Tuesday night were in the black and blue of Inter: Youri Djorkaeff and Benoit Cauet. Both made their names with provincial French teams — Cauet with the Nantes team that won the French title in 1995, Djorkaeff at Monaco. Both then made lucrative moves first to Paris Saint-Germain, France's richest club, and then to Inter.

A third Inter player, the Nigerian Taribo West, came through the model French youth system at Auxerre, a ways up the road from Lyon. Auxerre's French championship in 1996 proved a shop-window for many of its players.

A youth-development policy is a hit-or-miss business. Indeed, Lyon missed a great talent right on its own training ground in Djorkaeff, who spent much of his youth in Lyon while his father, Jean, was playing for Olympique. On Tuesday, Djorkaeff tormented Olympique.

Lyon sits only 11th in the French league because it has won only two of its seven home matches. On Tuesday, until it was far too late, it played like the away team. Inter played like a team that knew it was going to win.

Inter's first goal came in the 9th minute. Ronaldo's free-kick caromed off West and fell to Francesco Moreiro, who was unguarded and probably offside. He scooped the ball home.

Cauet then gave Inter the overall lead with a sharp low shot at the start of the second half. Lyon pressed, and Jacek Bak, its Polish central defender, smashed a scissors kick into the Inter net after West had misplayed a center.

Inter struck back immediately. Ze Elias, a Brazilian midfielder, hit the post with a shot. The ball flew to Morreiro, whose hard low shot hit Bak and the goalkeeper, Gregory Coupet, then bounced into the goal.

Perhaps defeat will be a blessing for Lyon. France may be rich in soccer talent, but, financially its clubs are relatively poor. After Bordeaux reached the final of the UEFA Cup two years ago, its team was strip-mined by foreign teams. In these days of freedom of contract, a team such as Lyon cannot compete with the millions of dollars that Inter can offer its players.

Inter, it must be acknowledged, has something of a youth policy: sometimes it takes a break from spending millions on established stars and spends millions on rising stars.

It's most high-profile player — he of the record contract — is the 21-year-old Ronaldo. But the young Brazilian looked weary beyond his years on Tuesday.

Less than six months ago, in the blue and red shirt of Barcelona, Ronaldo tore into PSG with relentless verve in the Cup Winners Cup final. This season, he looks like a man who has decided to ladle out the golden elixir of his talent in tiny doses.

He must be drained by the duel demands of his two main paymasters. When he is not playing for Inter, he is flying around the world to play for Brazil's national team in exhibition matches organized by Nike, the U.S. manufacturer of athletic shoes and sportswear, which sponsors both Brazil and Ronaldo.

Ronaldo had a couple of dazzling moments on Tuesday, but mostly he was quiet. He also fell down a lot. This was partly because he could not keep his footing on the rain-slicked surface, and partly because the French defenders kept tripping him.

In the end, he swung a fist at Florent Laville, his main tormentor, and was rapidly replaced by another high-priced young striker, Alvaro Recoba of Uruguay.

Ronaldo's anger was understandable. Laville had just kicked him in the Achilles tendon. Under soccer's laws, Laville should have received a second yellow card, but the referee, Bernd Heynemann, had already shown Laville a card for dissent and would have had to send the defender off. Heynemann did not even award a free kick.

Laville is one of Lyon's most promising young players. But soccer needs Ronaldo more than it needs Laville. For the most part, Laville defended fairly. He is certainly not as rough as some of the defenders Ronaldo meets in Italy. But the sight of his boot planted in Ronaldo's ankle conjured up memories of Maradona, at 29, limping through the 1990 World Cup, his legs so battered by years of foul tackles that he could barely run.

It is not enough to have a youth-development program. It also matters what that program teaches young athletes about sportsmanship.

Philippe Desmazes/Agence France-Presse
Youri Djorkaeff of Inter Milan, left, battling for the ball with Christian Bassila of Olympique Lyonnais in Lyon.

■ Metz Eliminated by Karlsruhe

France's other teams had a mixed evening, The Associated Press reported. Metz, which had lost, 2-0, at home in the first leg, drew, 1-1, in Germany against Karlsruhe and was eliminated, 3-1.

Strasbourg resisted a late surge in Liverpool to advance. Strasbourg led, 3-0, from the first match, but Liverpool scored twice after Karlheinz Rielde came on as a substitute. Riedle won a penalty, which Robbie Fowler converted, and then scored with a header with five minutes to play.

In Iraklion, Greece, Anastasiou scored a last-minute goal to give OFI Crete a 3-2 victory over Auxerre, but the French team advanced, 5-4. In Corsica, Bastia let in two goals in the first half to Bucharest. Bastia fought back to win the match, 3-2, but was still eliminated.

Pitino Pleads for Patience as Knicks Trounce Celtics, 102-70

The Associated Press

Rick Pitino's teams routinely routed opponents while he was coaching at Kentucky. Life in the National Basketball Association, though, is a world away from beating Vanderbilt or Tennessee. Coaching his young team on the road for the first time this season, Pitino's Boston Celtics were beaten, 102-70, Tuesday night by the New York Knicks.

Patrick Ewing scored 26 points and Chris Mills, acquired from the Celtics before the season, added 17 points and 10 rebounds as the Knicks defeated Boston for the 20th straight time in the regular season.

Ewing scored 15 points in the first half when the Knicks opened a 17-point lead en route to evening their home record at 1-1. New York has won 10 straight home games against Boston and has not lost to the Celtics since 1993.

Pitino, who coached New York from 1987 to 1989, was making his first appearance at Madison Square Garden as a coach since he quit the Knicks following a power struggle with Al Bianchi, the team's former general manager.

NBA ROUNDUP

"We've got to be upbeat and stay positive," Pitino said. "The majority of our games won't be like this one."

Raptors 104, Warriors 96 John Wallace scored 17 points and Damon Stoudamire had 16 points and 13 assists as Toronto won its home opener. The Raptors forced 25 turnovers while committing only nine.

Cavaliers 80, Pacers 77 Shawn Kemp scored 18 points and the rookie Brevin Knight hit a jumper with 4.9 seconds left as Cleveland beat visiting Indiana for its first victory in a home opener since 1991.

SuperSonics 118, Rockets 94 In Seattle, Gary Payton had 27 points and 12 assists, and the SuperSonics held Hakeem Olajuwon and Clyde Drexler in check to beat the Rockets. Detlef Schrempf added 22 points and Vin Baker 20 for Seattle. Charles Barkley led the Rockets with 17 points and 11 rebounds.

Bucks 110, Magic 76 Ray Allen scored 20 points and Terrell Brandon added 15 to lead host Milwaukee over Orlando. Penny Hardaway led the Magic with 16 points, even though he only played 26 minutes and sat out the entire fourth quarter of the blowout loss.

Mavericks 92, Grizzlies 87 In Dallas, Michael Finley scored 29 points and Dennis Scott added 28 as the Mavericks improved to 3-0. Shareef Abdur-Rahim led Vancouver with 28 points, but he failed to score in the fourth quarter.

Suns 108, Jazz 94 Kevin Johnson scored 23 points, including 16-of-16 from the foul line, as host Phoenix beat Utah. Johnson, who came out midway through the third quarter, re-entered the game with 6:24 to play and scored five points before Danny Ainge, the coach, sent in the reserves.

Wizards 120, Nuggets 96 In Denver, Juwan Howard had 29 points and 13 rebounds and Rod Strickland had 10 assists to reach the 5,000 career mark as Washington routed the winless Nuggets. Tracy Murray added 20 points for the Wizards, who had lost five straight and nine of their last 10 games in Denver.

Trail Blazers 122, Timberwolves 108 Kenny Anderson scored 24 points, including 6-of-7 from 3-point range, and Arvydas Sabonis added 23 as host Portland beat Minnesota. Isaiah Rider, in his season debut after being suspended the first two games by the NBA for his off-court troubles, scored 20 for Portland.

Lakers 101, Kings 96 Eddie Jones scored a career-high 35 points and Elden Campbell made five straight free throws in the closing minutes as the visiting Lakers rallied to beat Sacramento. Campbell hit 17 of his 21 points in the second half, while Jones scored 24 points in the first half.

Hawks 82, Pistons 71 Steve Smith scored 15 of his 27 points in the decisive third quarter and Alan Henderson had another strong game off the bench as Atlanta remained unbeaten at home.

After Firing, Canucks Lose Their 8th in Row

The Associated Press

Peter Bondra scored the go-ahead goal with 12:17 left as the Washington Capitals ended a six-game winless streak and handed the visiting Vancouver Canucks their eighth straight loss, 2-1.

The Canucks tried to shake things up earlier Tuesday by firing their general manager, Pat Quinn. A search for his successor is under way.

Vancouver scored the opening goal and Kirk McLean had 39 saves, but the Canucks fell to 3-11-2.

NHL ROUNDUP

Kings 3, Devils 0 Glen Murray scored twice, and Stephane Fiset had 36 saves as Los Angeles ended New Jersey's three-game winning streak.

Craig Johnson added an unassisted goal, and the visiting Kings killed all six chances by the Devils' league-leading power play. New Jersey was 8 of 24 with the extra man in its previous five games.

Fiset made at least three good stops against Doug Gilmour, two against Scott Niedermayer and one on a wraparound by Brian Rolston in his first shutout of the season and 11th of his career.

Maple Leafs 0, Sharks 0 Toronto and San Jose skated to a rare scoreless tie.

It was the first time the host Sharks had been involved in a scoreless tie in their seven-year history and the first time in 10 years for Toronto.

Mike Vernon turned away 19 shots in the San Jose goal, while Glenn Healy and Marcel Cousineau of Toronto stopped 22 shots. Healy left the game after a Shark skated over his left hand.

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SPORTS

Phillies' Rolen Unanimously Chosen as Top NL Rookie

The Associated Press

NEW YORK — Scott Rolen of the Philadelphia Phillies was unanimously voted the National League's rookie of the year, breaking the Los Angeles Dodgers' five-year hold on the award.

The 22-year-old third baseman led the league's rookies in batting average (.283), runs (93), hits (159), doubles (35), homers (21) and RBIs (92).

"I think I exceeded anything I could have fathomed," Rolen said Tuesday after learning of the award. "I hope I haven't reached a pinnacle now. I hope there's something more for me in baseball and in life."

Rolen was the Phillies' second-round pick in the amateur draft in 1993. He became the first Philadelphia rookie to lead the team in homers and RBIs since Greg Luzinski in 1972, and had the most homers and RBIs for a Phillies rookie since Willie Montanez in 1971.

And Rolen accomplished this while playing for a last-place team that went 68-94 and finished 33 games out of first.

He would not have been eligible for the award if Chicago's Steve Trachsel hadn't broken his right forearm with a pitch on Sept. 7, 1996. Rolen had 130 at-bats at the time — the maximum a player is allowed before he loses his rookie status.

"At the time, I wasn't really happy with him," Rolen said. "Now I might give him a call and thank him."

Los Angeles players had won the award since 1992: Eric Karros, Mike Piazza, Raul Mondesi, Hideo Nomo and Todd Hollandsworth. No Dodgers even received votes this year. Wilton Guerrero, the team's top candidate, hit .291 with four homers and 32 RBIs.

Rolen received all 28 first-place votes and 140 points in balloting by the Baseball Writers' Association of America.

Livan Hernandez, who went 9-3 with a 3.18 earned run average in 17 starts for the Florida Marlins, was tied for second with Matt Morris, who was 12-9 with a 3.19 ERA for the St. Louis Cardinals. Both had 25 points.

Rolen became the eighth unanimous NL rookie winner, joining Jackie Robinson (1947), Orlando Cepeda (1958), Willie McCovey (1959), Vince Coleman (1985), Benito Santiago (1987), Piazza (1993) and Mondesi (1994).

Combined with Nomar Garciaparra's unanimous election as the American League rookie of the year on Monday, it marked only the third time both rookie winners were unanimous choices.

Rolen is the third Phillies player to win, joining Jack Sanford (1957) and Richie Allen (1964).

■ Orioles' Johnson Still in Limbo

The Baltimore Orioles' manager, Davey Johnson, said that the team's majority owner, Peter Angelos, had not indicated to him what he must do to remain with the club for the final season of his contract, Mark Maske of The Washington Post reported from Washington.

Johnson returned to his home in Winter Park, Florida, on Tuesday from a fishing trip and said that he still did not know his job status.

"I don't know where it stands," he said. "I don't know what's next. I have no idea."

Some Orioles officials apparently believe that Angelos and Johnson could reach a truce soon that would permit Johnson to stay with the team for the remaining season on his three-year, $2.25 million contract.

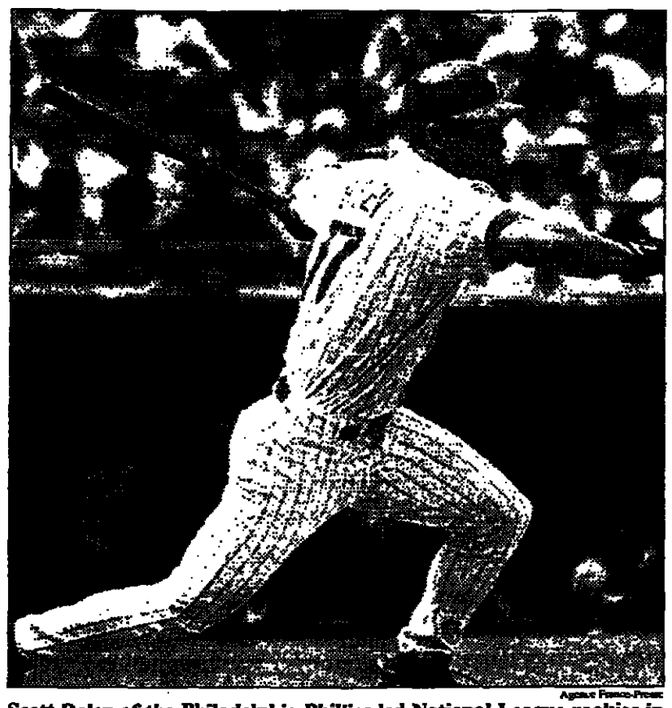
Such a settlement, sources said, would have to include Johnson's agreeing to say that he made a mistake when he directed the Orioles second baseman, Roberto Alomar, to pay a $10,500 fine to a charity with which Johnson's wife is involved. Orioles sources said that Johnson was willing to say he made an error in judgment but does not seem willing to say he acted maliciously or recklessly.

Whether that would be enough for Angelos remains unclear.

Johnson declined Tuesday to discuss the conditions under which he could remain.

Angelos said earlier Tuesday that he still had not made a decision. Johnson apparently will resign or be fired if the two men cannot craft a settlement to Angelos's liking.

Meanwhile, Angelos said that Brady Anderson, the Orioles' free agent center fielder, had resumed a European vacation without reopening contract negotiations.



Agence France-Presse

Scott Rolen of the Philadelphia Phillies led National League rookies in batting average, runs, hits, doubles, homers and runs batted in.

Where Will You Go, Michael Jordan?

Impressed by DiMaggio's Lasting Stature, Star Ponders Future

New York Times Service

Michael Jordan was curious about a recent documentary on Joe DiMaggio. "I didn't know a lot about DiMaggio," said Jordan, "and some people have compared me to DiMaggio. I wanted to see it."

He was impressed, he said, because DiMaggio took his image seriously, not just performing on the field to the best of his ability — a leader by quiet demeanor and an explosive bat — but also comporting himself as a gentleman.

DiMaggio recognized a responsibility to maintain dignity as, particularly, a symbol for the Italian-Americans of the 1930s, the immigrants and sons and daughters of immigrants yearning to rise in American society. Jordan, thinking about Paul Simon's poetic lyrics, "Where have you gone, Joe DiMaggio?/A nation turns its lonely eyes to you," came to understand that DiMaggio was taken to embody a sense of values that transcended ethnic and racial lines. It is a sense that increasingly escapes this generation of people, especially athletes.

Jordan, like DiMaggio, remains a consummate performer in the arena and elegant away from it.

When Charles Barkley threw a man through a plate glass window for tossing ice cubes on him in a bar, Jordan told Barkley in a telephone conversation: "Charles, I love you like a brother, but you can't do that kind of thing. It's stupid. And you have to stay out of bars. They're only trouble." Barkley protested. He said he was not going to allow people to "mess with my manhood."

Shaquille O'Neal exercised second thoughts in this regard. After his fine and suspension for slapping and knocking down Greg Ostertag of Utah in an argument before a recent game, O'Neal issued an apology in writing to the other large center.

The times have produced a remarkable chemical reaction in some players: It has fattened their wallets and bankrupted their wits. It seems that like Barkley, who in a TV commercial of all places said he was no role model, too many athletes believe they can do whatever they want, whenever they want.

But this is beyond being simply a role model. It is about being a good citizen, period. About having a good work ethic, and about not abusing drugs or alcohol or one's spouse, among other items.

Jordan keeps perspective by recalling how his parents raised five children in Wilmington, North Carolina, his father "working two and three jobs" and his mother "managing the budget for the house and stretching a dollar as far as it could be stretched."

"I can only do what I'm comfortable doing, and working with kids in the inner city is one of them," Jordan said. "But I try to do what I can in other areas. Like I'm keeping on top of how Nike treats workers in Asia" — he has a huge endorsement contract with Nike — "though I think some of that is misunderstood. And when my dad was killed, groups wanted me to campaign against handguns. I said I was opposed to private handguns, but I felt pressured, so I declined."

Jordan added: "I'm not kidding myself, I'm no Muhammad Ali," whom he said he admired. Nor, he said, is he Joe Louis or Jackie Robinson, people who stood for something beyond just sports: "They carried the burden of an entire race, I've never had to do that."

He said he believed that he would fade from popularity when he retired. "My lawyer doesn't think so," said Jordan. "But I disagree. Look at Magic and Bird. They're already waning. I'll be the same."

Perhaps. But as with DiMaggio, many lonely eyes may properly turn to Jordan.

Vantage Point/IRA BERKOW

Holyfield Psyches Up for Moorer Showdown

The Associated Press

LAS VEGAS — Evander Holyfield's search for motivation in the wake of two mega fights against Mike Tyson did not last long. He found it in the last 10 seconds of his first fight with Michael Moorer.

It was then that Moorer raised his arms in victory three years ago and seemed to mock the proud Holyfield. It was then that Holyfield really wanted to fight — something he admittedly didn't do much of during the previous 11-plus rounds.

"As bad as I felt that whole fight, the one time I got excited was when the match was almost over and he raised his hands," Holyfield recalled. "That made me angry. I couldn't believe he raised his hands after not doing anything in the fight. If I had only had one more minute with him."

Holyfield didn't have another minute, and in a few more minutes he didn't have the WBA and IBF heavyweight belts he had worn into the ring with him.

Fighting with a sore left shoulder, and soon to be beset by talk about heart problems, Holyfield had coasted through the fight hoping to win, only to come out on the losing end of a majority 12-round decision. Now he gets another chance in Saturday night's rematch with Moorer, and he can't wait.

Holyfield is the conqueror of Tyson not once, but twice. He gained fame far beyond what he ever imagined when Tyson bit a chunk out of his right ear, then nibbled on his left ear for good measure before being disqualified in their second fight.

Now he's trying for revenge against the only fighter who has beaten him and he hasn't beaten. It's also a chance to add the IBF heavyweight title to the WBA title he won from Tyson as Holyfield tries to unify all three major titles before retiring.

Holyfield is about a 12-5 favorite to win the rematch against Moorer, a crafty lefty who possesses good punching power but who many feel hasn't been the same since George Foreman knocked him out with one punch to take away his titles in November 1994. Moorer came back to win the vacated IBF crown over Axel Schulz.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
New Jersey	2	0	1.000	—
Miami	2	1	.667	½
New York	2	1	.667	½
Washington	2	2	.500	1
Boston	1	2	.333	1½
Orlando	1	2	.333	1½
Philadelphia	0	2	.000	2

CENTRAL DIVISION

	W	L	Pct	GB
Atlanta	3	0	1.000	—
Chicago	2	1	.667	1
Detroit	2	1	.667	1
Milwaukee	2	1	.667	1
Charlotte	1	2	.333	2
Cleveland	1	2	.333	2
Indiana	1	2	.333	2
Toronto	1	2	.333	2

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Dallas	3	0	1.000	—
Houston	2	1	.667	1
Minnesota	2	1	.667	1
San Antonio	2	1	.667	1
Vancouver	1	2	.333	2
Utah	1	3	.250	2½
Denver	0	3	.000	3

PACIFIC DIVISION

	W	L	Pct	GB
L.A. Lakers	2	0	1.000	—
Phoenix	2	0	1.000	—
Portland	2	1	.667	½
Seattle	2	1	.667	½
L.A. Clippers	0	2	.000	2
Golden State	0	3	.000	2½
Sacramento	0	3	.000	2½

TUESDAY'S RESULTS

Golden State 23 17 25 21—86
Toronto 33 21 32 18—104
G.S.: Marshall 8-20 3-4 20, Dampier 6-8 2-3 14; T: Wallace 8-14 1-2 17, Stoudamire 5-9 6-7 16. Rebounds—Golden State 74 (Marshall, Smith, Dampier 10), Toronto 51 (Christie 8). Assists—Golden State 26 (Sprewell 8), Toronto 30 (Stoudamire 13).

Boston 22 17 28 11— 78
New York 23 23 27 19—102
B: Knight 6-10 0-0 13, Bowen 4-7 2-4 11; N.Y.: Ewing 6-12 14-17 26, Mills 8-15 1-1 17. Rebounds—Boston 37 (McCarty 7), New York 63 (Ewing 11). Assists—Boston 18 (Walker 4), New York 19 (Oakley 5).

Detroit 14 22 24 11— 71
Atlanta 16 21 28 17— 82
D: B.Williams 8-18 0-1 16, Hill 5-20 4-5 14, Scotty 5-11 4-5 14; A: Smith 10-19 5-6 27, Henderson 6-11 6-10 19. Rebounds—Detroit 36 (B.Williams 11), Atlanta 60 (Mutombo 13). Assists—Detroit 16 (Hill 5), Atlanta 13 (Blaylock 4).

Indiana 19 14 27 17—77
Cleveland 23 22 23 11—79
I: Miller 6-20 8-10 21, Mullin 6-9 2-2 14; C: Kemp 8-19 2-3 18, Anderson 5-12 2-4 13. Rebounds—Indiana 49 (D.Davis 15), Cleveland 51 (Kemp 8). Assists—Indiana 22 (Jackson 8), Cleveland 23 (Knight 9).

Houston 24 23 22 25— 94
Seattle 29 32 31 24—116
H: Barkley 7-9 2-2 17, Johnson 5-14 3-4 15; S: Payton 11-18 3-4 27, Schrempf 5-9 10-10 22, Baker 10-14 0-2 20. Rebounds—Houston 49 (Barkley 11), Seattle 37 (Baker, Kersey 5). Assists—Houston 21 (Price 5), Seattle 30 (Payton 12).

Orlando 18 19 14 25— 76
Milwaukee 32 25 27 26—110
O: Hardaway 4-13 8-10 16, Outlaw 5-7 2-3 12; M: Brandon 7-11 0-0 15, Gilliam 5-6 2-2 12, Perry 4-8 4-4 12. Rebounds—Orlando 50 (Grant, Selkaly, Outlaw 7), Milwaukee 52 (Hill 9). Assists—Orlando 15 (Armstrong 4), Milwaukee 18 (Brandon 5).

Vancouver 30 24 29 13—97
Dallas 18 32 24 18—92
V: Abdur-Rahim 10-24 8-10 28, Thorpe 6-10 4-6 16; D: Finley 12-18 4-7 29, Scott 11-20 3-6 28. Rebounds—Vancouver 57 (Thorpe 14), Dallas 62 (Green 13). Assists—Vancouver 21 (Abdur-Rahim, Daniels 4), Dallas 22 (K.Reeves, Ollie 7).

Washington 38 29 34 27—128
Denver 22 11 21 32— 96
W: Howard 10-15 9-9 29, Murray 6-15 7-7 20; D: E.Williams 7-16 12-19 26, Fortson 8-16 6-9 22. Rebounds—Washington 56 (Howard 13), Denver 67 (Garrett 12). Assists—Washington 33 (Strickland 10), Denver 11 (Newman 4).

Utah 17 16 30 21— 84
Phoenix 27 25 24 30—106
U: Malone 7-17 8-10 22, Homacek 6-12 4-4 17; P: Johnson 3-9 16-16 23, McDyess 5-10 3-5 13, Robinson 5-6 3-4 13. Rebounds—Utah 51 (Malone, Osterlag 11), Phoenix 47 (Kidd, Manning 7). Assists—Utah 15 (Homacek 4), Phoenix 24 (Kidd 13).

Minnesota 23 24 17 31—105
Portland 29 37 27 29—122
M: Gugliotta 9-17 9-12 27, Marbury 7-10 10-11 27; P: Anderson 8-12 2-4 24, Sabonis 9-11 5-6 23, Rider 7-17 2-2 20. Rebounds—Minnesota 42 (Gugliotta 8), Portland 44 (Sabonis 10). Assists—Minnesota 23 (Marbury 9), Portland 27 (Anderson 7).

L.A. Lakers 23 28 25 25—101
Sacramento 26 27 25 20— 98
L.A.: Jones 14-17 4-5 35, Campbell 6-13 9-9 21; S: Richmond 9-16 2-2 24, Polynice 7-11 2-4 16, Dehere 3-9 0-1 6. Rebounds—Los Angeles 45 (Blount 7), Sacramento 49 (Polynice 12). Assists—Los Angeles 21 (Van Exel 6), Sacramento 29 (Dehere 9).

HOCKEY

NHL Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	8	5	3	19	48	40
Washington	8	5	2	18	46	37
New Jersey	8	5	0	16	41	26
N.Y. Islanders	6	5	2	14	40	33
N.Y. Rangers	3	6	6	12	36	41
Florida	3	7	3	9	28	42
Tampa Bay	2	9	2	6	23	43

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Boston	9	5	1	19	41	35
Ottawa	8	4	3	19	47	36
Montreal	8	4	2	18	44	30
Pittsburgh	8	6	2	18	47	44
Buffalo	5	7	2	12	35	45
Carolina	4	8	3	11	38	47

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	11	2	2	24	56	33
St. Louis	11	3	2	24	51	34
Dallas	9	5	2	20	50	40
Phoenix	6	5	2	14	41	36
Chicago	5	10	0	10	27	41
Toronto	3	7	3	9	25	39

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	7	2	6	20	49	38
Los Angeles	6	6	4	16	51	44
Anaheim	5	5	4	14	32	35
Edmonton	5	7	2	12	29	43
Calgary	3	9	3	9	39	50
San Jose	4	10	1	9	34	46
Vancouver	3	11	2	8	37	57

TUESDAY'S RESULTS

Los Angeles 0 1 2—3
New Jersey 0 0 0—0
First Period: None. Second Period: L.A.-Murray 4 (Perreault, Tsyplakov) Third Period: L.A.-Murray 5 (Perreault, Tsyplakov). 3, L.A.-C.Johnson 5. Shots on goal: L.A.- 9-6-6—21. N.J.- 14-10-12—36. Goalies: L.A.-Fiset. N.J.-Dunham.

Vancouver 0 1 0—1
Washington 0 1 1—2
First Period: None. Second Period: V-Ledyard 1 (Messier, Naslund) 2, W-Johansson 6 (Housley, Oates) (pp). Third Period: W-Bondra 7 (Oates, Housley) Shots on goal: V- 9-10-7—26. W- 13-16-12—41. Goalies: V-McLean. W-Kolzig.

Toronto 0 0 0 0—0
San Jose 0 0 0 0—0
First Period: None. Second Period: None. Third Period: None. Overtime: None. Shots on goal: T- 11-5-3-0—19. S.J.- 6-7-5-4—22. Goalies: T-Healy, Cousineau 0-0-1. S.J.-Vernon.

CRICKET

Jubilee Tournament

PAKISTAN VS. SRI LANKA

WEDNESDAY, IN LAHORE, PAKISTAN

Pakistan innings: 280 all out (49.4 overs)
Sri Lanka innings: 281-2
Sri Lanka won by 8 wickets

SOCCER

UEFA Cup

SECOND ROUND, SECOND LEG

Aston Villa 2, Athletic de Bilbao 1
Aston Villa advanced on 2-1 aggregate
Bastia 3, Steaua Bucharest 2
3-3 aggregate. Bach. adv. on away goals
OFI Crete 3, Auxerre 2
Auxerre advanced on 5-4 aggregate
Croatia of Zagreb 2, MTK Budapest 0
Croatia advanced on 2-1 aggregate
Dinamo Tbilisi 0, Braga 1
Braga advanced on 5-0 aggregate
Karlsruhe 1, Metz 1
Karlsruhe advanced on 3-1 aggregate
Lazio of Rome 3, Rotor Volgograd 0
Lazio of Rome advanced on 3-0 aggregate
Liverpool 2, Strasbourg 0
Strasbourg advanced on 3-2 aggregate
Lyon 1, Internazionale of Milan 3
Internazionale advanced 4-3 aggregate
1860 Munich 2, Rapid Vienna 1
Rapid Vienna advanced on 4-2 aggregate
PAOK Salonica 4, Atletico de Madrid 4
Atletico advanced on 9-6 aggregate
Spartak Moscow 2, Valladolid 1
Spartak advanced on 4-2 aggregate
Udinese 2, Ajax Amsterdam 1
2-2 aggregate; Ajax adv. on away goals
Twente Enschede 0, AGF Aarhus 0
1-1 aggregate; Twente adv. on away goals

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

CLEVELAND—Agreed to terms with LHP Brian Anderson on 1-year contract. Declined to exercise 1998 option on RHP Jack McDowell.

N.Y. YANKEES—Declined to exercise 1998 option on 2B Pat Kelly.

NATIONAL LEAGUE

COLORADO—Signed Don Baylor, manager, to 1-year contract extension through 1999 season.

N.Y. METS—Declined to exercise 1999 option on 2B Carlos Baerga.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

PORTLAND—Fined G Isaiah Rider $1,000 for missing practice.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NFL—Fined Pittsburgh LB Greg Lloyd $15,000 for flagrant hit on Jacksonville WR Keenan McCardell in Oct. 26 game.

GREEN BAY—Signed C Rob Davis.

INDIANAPOLIS—Waived FB Roosevelt Potts. Signed WR Nate Jacquet from practice squad. Signed DB Rico Clark to practice squad. Waived LB Phillip Ward from injured reserve.

PHILADELPHIA—Signed WR Russell Copeland. Signed LB DeShawn Fogle from practice squad. Released WR Justin Armour and K Lonny Calicchio.

SAN DIEGO—Released TE Al Pupono and FB Carwell Gardner. Put LB Bobby Houston on injured reserve. Signed LB Michael Hamilton and FB Robert Chancey from practice squad.

HOCKEY

NATIONAL HOCKEY LEAGUE

NHL—Suspended Florida coach Doug MacLean for 2 games without pay and fined him $5,000 as a result of confrontation with officials Nov. 1.

ANAHEIM—Recalled D Pavel Trnka from Cincinnati, AHL.

COLORADO—Recalled RW Christian Matte from Hershey, AHL.

EDMONTON—Assigned C Jason Bonsignore to San Antonio, IHL.

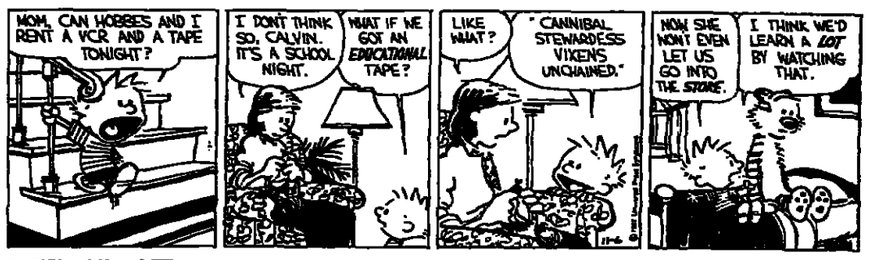
N.Y. RANGERS—Assigned C Marc Savard to Hartford, AHL.

DENNIS THE MENACE

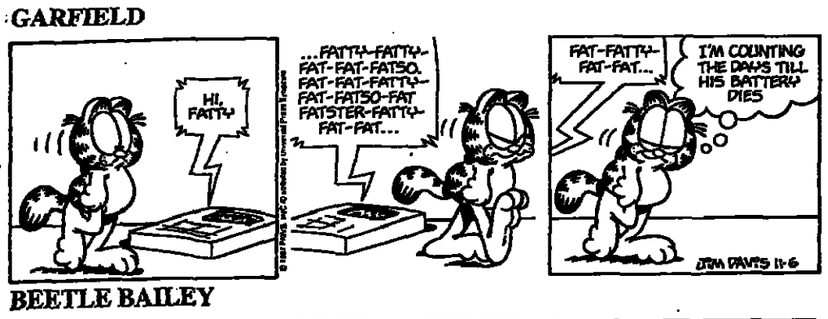
"YOU DID GOOD, JOEY. YOU CAME IN SECOND!"

PEANUTS

CALVIN AND HOBBES



GARFIELD



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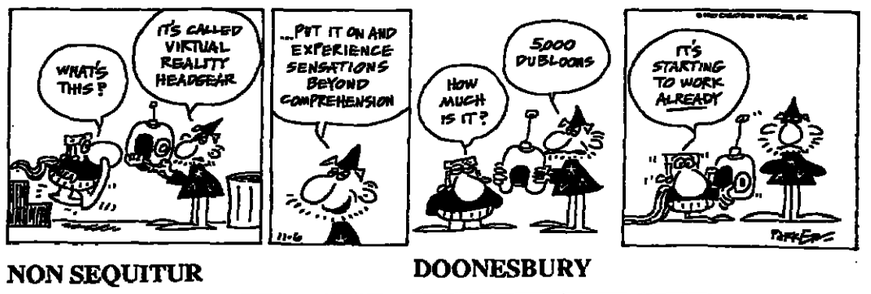
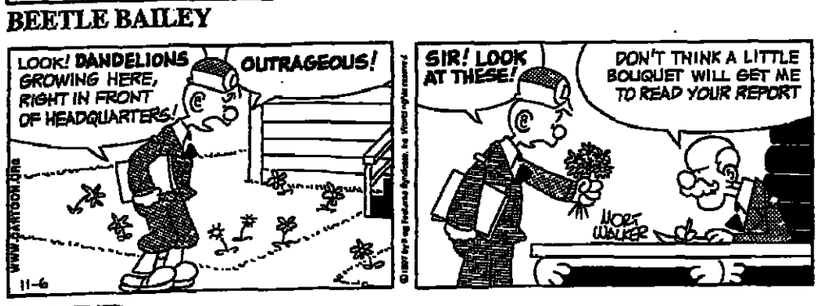


BEETLE BAILEY



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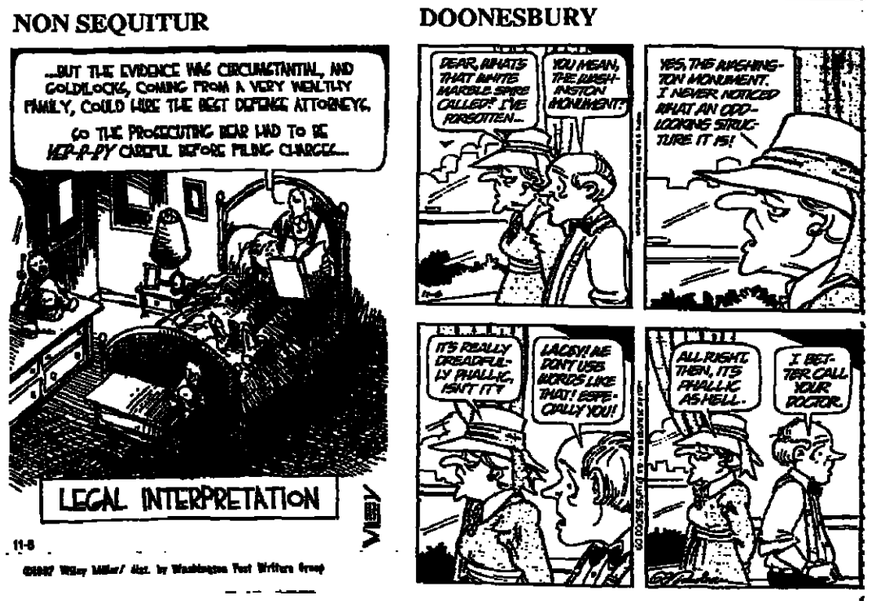

DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

THYFE
GINTY
DINGHI
GENNIE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: (Answers tomorrow)

Yesterday's Jumbles: TWICE SHINY HOOKUP BEFOUL
Answer: When the roofer pitched in to help his neighbor it was a — ON THE HOUSE

TESOL FRANCE

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ART BUCHWALD

All Hail the Little Guy

WASHINGTON — It is now common knowledge that the little guy saved the stock market from its worst crash in history.

All the big guys at the Bull and Bear Grill were talking about it the other evening. There were partners from Goldman Sachs and Morgan Stanley, investors for the large pension funds, players in billion-dollar mutual funds, and traders who lived and died by junk bonds

□

Into this motley crowd entered a man in cowboy boots, blue jeans and a worn T-shirt.

"Who is it?" whispered a banker in an Armani suit.

The man sitting next to him at the bar said, "I can't believe it. It's the little guy, the one who saved us all from going belly up."

The word spread like wildfire through the bar. Suddenly a cheer went up from the crowd, and they hoisted the little guy up onto their shoulders and carried him around the room.

"Have a Chivas Regal," yelled a broker from Merrill Lynch.

"I'd rather have a beer," the little guy answered.

□

A man from Smith Barney spoke, "You didn't panic. Tell us your secret."

The little guy said, "Why panic? All I saw on Monday was a much-needed correction. We little people expect glitches in the market, and you have to be a fool to unload just because Bill Gates had a bad day."

The crowd strained to hear every word he said.

He blew the foam off his beer. "You big guys panicked because you kept looking at the numbers. The little guys knew that if they waited until Tuesday they could pick up stocks at going-out-of-business prices. Once you big guys knew the little guys were buying, you regained your courage and jumped back into the game."

A man wearing a double-breasted Calvin Klein suit said, "It's true. We had no idea what you people would do. It's hard for the big guys on Wall Street to read the mind of the little investor. Thank God he has ice in his veins."

□

The little guy finished his beer and said, "Thanks, but I have to be going."

"Where are you going?"

"I have to buy a lottery ticket. I feel that after Tuesday I can't lose and, besides, there's no difference between the lottery and the stock market."

Rembrandt Portrait Goes on Display

The Associated Press

AMSTERDAM — A self-portrait of Rembrandt went on display Wednesday at Amsterdam's Rijksmuseum after hanging for years in a Paris art dealer's bedroom. Dressed in 17th century finery, a 26-year-old Rembrandt is shown gazing out of the small, 1632 painting.

Authenticating the painting was like piecing together a puzzle for a team led by the art historian Ernst van de Wetering. The story of the recent discovery is told in his book "Rembrandt: The Painter at Work," published this week.

George Makinto: Living in the Global Village

By Mike Zwerin
International Herald Tribune

PARIS — "You can drop the George," George Makinto says. Makinto had already dropped a "McIntosh" somewhere along the line.

Talk about living in a global village. Born in 1963 in Freiburg, Germany, of a German father and a Liberian mother, Makinto grew up in Germany, France and the United States. He speaks German, French, English, Spanish, Portuguese, Italian and what he calls "mixed African." He considers Liberia his homeland, he has many Liberian relatives. Not long ago, he attended a family meeting in Abidjan in the neighboring Ivory Coast where many of them had taken shelter from a civil war.

Raised in Germany, France and the U.S., he considers Liberia his homeland.

His producer Tommy Snyder calls him a "truly free man." Makinto's high-spirited new CD, "An African in Paris" (Sweet Basil Records), was released in Japan in May and in Europe in October. The liner notes are in Japanese.

Basically on the road for 15 years, Makinto will play the flute while walking down a dark street in a strange city. He also plays piano and arranges and composes for Miriam Makeba, a legendary figure a/k/a Mama Africa. Their tours are frequent and long. Makinto's address book contains names of family and friends just about every place they go. He is as much at home in Tokyo as in Los Angeles.

His mother and a sister live in New York, his father in Germany. When in Paris, he stays with his former wife and their two sons (another child lives in Spain). There are brothers in London and Berlin. His office is in his pocket — on this afternoon he fielded a cell phone call from a Tutsi woman from Burundi who lives in Portland, Oregon.

Between dates, he is often Makeba's guest in her large home in Johannesburg. One of South Africa's most famous exiles, Mama Africa has returned home. She too has an extended family, of which he considers himself a member. There are children running about.

Makinto's Italian has been getting better lately after a cluster of Italian dates. Two Christmases ago, Makeba and Makinto played in the Vatican for the Pope. They performed "Malaika," a Swahili song she popularized. Makinto has been told that "Malaika" is one of the Pope's favorite songs. They were invited back and they also played for the Pope in a stadium holding 200,000 people in Rio when he was there. They have also performed for the prime minister of Jamaica and for Nelson Mandela in Germany — a birthday present from Germany's president. Her band matches her pan-African repertoire with a Cameroonian bassist, a guitarist from Madagascar, a South African drummer, a four-voice choir including her granddaughter; plus Makinto.

First performed in 1993, his theater piece in French called "Merci, Mama Africa" is a one-man show about the evolution of African music. He created a theater group that won the Coup de Pouce prize for the best musical piece at the Avignon festival.

Over the years, he has collaborated with Hugh Masakela, Manu Dibango, Randy Weston, Tania Maria and Kirk Whalum. He wrote a theme song for the Yokohama Marinos, the soccer champions of Japan. Paco Rabanne and Cartier have paraded their designs accompanied by Makinto. His band mixes high life, reggae, jazz and funk. He has learned to play the balaphone, guitar, saxophone and cora (African harp).

Makeba commissioned him to write a song called "War Child," about "something terrible" that has been happening to the children of Liberia. She was moved after he told her the following story in detail. Now, careful to be objective, Makinto makes no accusations, cites no villains. He weighs his words, speaking with what resembles a soft Dutch accent:

"Liberia is a very particular place on this planet. It is a country that has a mixed heritage between freed slaves coming back from America and the natives. It's a bizarre twist on colonialism.

"There was much plunder during the six-year civil war that now appears to have ended. Warlords hired child soldiers from the ages of about 8 to 16. They were given machine guns by grown-ups who told them to kill. They obeyed. And they're proud of it. They have been taught no ethics. It's scary. Armed and ferocious gangs roam the hinterlands with guns. These children have learned nothing but war. I hear voices telling me 'go back and help the children.' Music is the only way I know."

In the early 1990s, with the help of the European Development Fund, Makinto started a school for music in Niamey, Niger. There was a mixture of traditional and modern instruments and influences. (The funding is greatly reduced now.) He would like to do something similar in Liberia.

Growing up there, there was neither a musical scene nor an infrastructure. After the only recording studio in the country closed, he moved to Abidjan where he stayed three years and studied music, put a band together and learned French. In 1988, he came to Paris as part of a cultural event presenting the music of the Ivory Coast at the Pompidou center.

His family is a mixture of African-American and native Africans. His grandfather was a missionary. They own property in Liberia, and they intend to return to it one day. Makinto wants to build his school on family land near Buchanan, Liberia's second city after Monrovia. For the time being, however, it is not safe around Buchanan after the sun goes down. So for more than one reason, his is a long-term project. He plans to visit Liberia in February.

Makinto's band mixes high life, reggae, jazz and funk.

Makinto has been spending more time in New York than in Paris or Monrovia. Every Monday night, he plays the Sweet Basil, a jazz club in Greenwich Village. He feels part of the "broad spirit of jazz" as well as the "African spirit of music."

Not unaware of the necessity to nourish his career, still, basically, he does not play music to earn money. "First there's life," he says. "And then there's music. I don't live for music. I play for life."

ART

A Splendid Collection Goes On Display in Japan

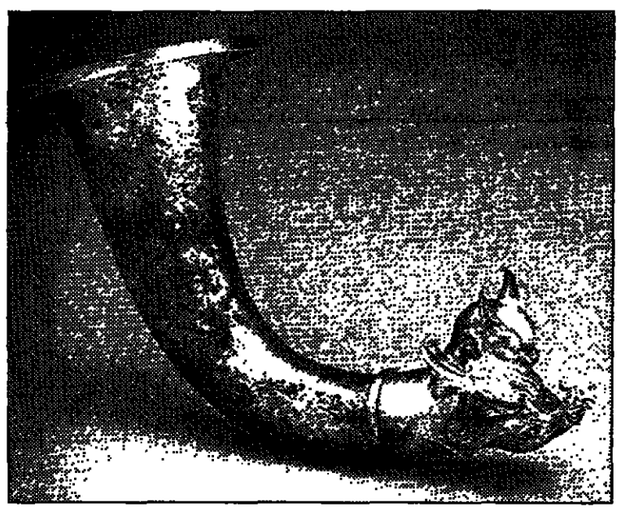
By Souren Melikian
International Herald Tribune

SHIGARAKI, Japan — The story is strange, the site beautiful, the new Miho Museum of Asian art fantastic.

There was a weird touch of utopia to the inauguration ceremony Monday, halfway between some vaguely religious celebration and an outsized East-meets-West bash, conducted at the entrance to the steel-and-glass structure in the pine-covered mountains of Shigaraki. It was well in tune with this futuristic vision of the high-tech East retreating from its overpopulated, polluted cities to meditate upon the beauty of its past.

An international crowd of museum directors, art dealers and collectors stood in bright sunlight. Suddenly, Japanese drums started booming, their ancient rhythms somewhat updated as were the outfits of the drummers, who could have been sportsmen at the Olympic Games.

Wearing the traditional kimono, Hiroko Koyama, daughter of Mihoko Koyama, now 87 — without whom the museum would not have seen the light of day — delivered a brief opening address. A dark-suited attendant bellowed a countdown, in English, as if a space rocket was about to be launched. Hiroko Koyama cut a ribbon, and the guests streamed in.



Richly decorated silver drinking horn from Iran, first century B.C.

If the ceremony looked odd, it is nothing compared with the story of Mihoko Koyama, the wife of a Japanese millionaire, which mirrors the traumatic transformations of the Orient and its search for new certainties. It starts in 1970 when Mihoko Koyama founded the Shinji Shumeikai to spread the teachings of a master, Mokichi Okada.

The stated aim of this "spiritual organization," as its members define it, was "the pursuit of truth, virtue and beauty." Contemplating beauty, Okada taught, purifies the soul.

A born art lover who began acquiring tea ceremony stoneware vessels in the 1950s, Mihoko Koyama, decided to make her own collection available for contemplation. She and her daughter Hiroko formally donated it to the Shumeikai Cultural Foundation in 1993. A museum was needed. When approached, I. M. Pei, the Chinese-American architect, at first declined the commission, then accepted while remarking to Mihoko Koyama that what was really desirable in the area was an international art museum, rather than one of exclusively Japanese art.

It is at that point that Noriyoshi Horiuchi's path cut across that of the Koyamas. Horiuchi, now in his 50s, became a dealer, driven by a passion that made him squander on two Villanovan vessels of the 7th century B. C. the money that was to see him through an academic year in Dublin, where he was to study the interaction of law and politics.

In his quest to find out more about the vessels, Horiuchi drifted to Basel. There, he thought no more about studying law. Instead, he learned the art of looking at objects under the tutelage of the late dealer Elie Borowski.

For a few years, Horiuchi had a gallery in New Bond Street in London before returning to Tokyo where he continued to deal in antiquities from a modest gallery with limited capital. It was a museum director who told him that he should meet Mihoko Koyama who had "a great eye and great courage." And money.

Mihoko and Hiroko Koyama, likewise alerted, paid a visit to Horiuchi's gallery. They were riveted by two Egyptian bronze figures of the 6th century B. C. and bought them. One day, Mihoko Koyama expressed to Horiuchi her intention of building up "a major collection." But this is Japan. Although the dealer sensed the intensity of her commitment, he let months go by.

The event that set the wheels turning took place in January 1991. Horiuchi was to meet with a colleague who never turned up at the appointed place in London — Eskenazi, then at 166 Piccadilly.

Dressed like a hippie, he pushed open the door of the study room where Giuseppe Eskenazi's wife, Laura, had spread out on a long table the Chinese bronzes, mostly with gold inlay, that were to go into the epoch-making "Inlaid Bronzes from Pre-Tang China" show of June 1991. Horiuchi said he had never before seen archaic bronzes and was beside himself with excitement, handling them endlessly. He moved two-thirds of the pieces to a side table and flatly said that he wanted to buy them.

On receiving the proofs of the catalogue and a price list in April, he wired back his confirmation. Horiuchi then showed the proofs to the Koyamas, mother and daughter. They expressed deep admiration, reserved their answer and 10 days later informed him that they would buy three pieces — admittedly the most admirable in the museum. Horiuchi thought he was bankrupt, but he would not go back on his word to Eskenazi.

Late in May, Horiuchi, Mihoko Koyama and Hiroko traveled to London. As they saw the pieces, admirably displayed at Eskenazi's, the two women were overwhelmed. They told Horiuchi they wanted everything he had reserved, barring an inlaid dagger, because it was an instrument of war. The great collecting venture was launched. At top speed and top dollar, an extraordinary collection, with archaic China and ancient Iran as its two jewels in the crown, was formed in six years.

Not everything is perfect. A very few pieces even raise questions. A set of Chinese marble panels in low relief are surprisingly clumsy. They offer inexplicable features that do not all sit easily with the purported date, around the 8th or 9th century. The lighting makes it impossible to see the detail of some of the most precious objects. But these are peccadilloes.

They make little difference to the splendor of the collection. It has only one flaw. Not many may be in a financial position to purify their souls by traveling to the mountains of Shigaraki.

PEOPLE

THE former husband of **Brigitte Bardot** and his publisher have been ordered by a French court to pay her 50,000 francs in damages for having invaded her privacy in a kiss-and-tell book. But the court on Wednesday threw out the actress's request to seize copies of **Jacques Charrier's** "My Answer to BB," published by Michel Lafon, which tells his side of their three-year marriage that ended in divorce in 1962. They had one child, **Nicolas**, who joined with Charrier in successfully suing Bardot, for invading their privacy in her best-selling memoirs, "Initiales BB." The court ruled that Charrier broke France's tough privacy laws by publishing steamy letters Bardot wrote to him during their courtship and marriage.

□

One of the last outfits designed by **Gianni Versace** for **Diana, Princess of Wales**, will be auctioned Sunday in Milan to raise money for cancer research. The black wool crepe suit was one of Versace's last creations before he was killed on the steps of his Miami Beach mansion on July 15. Along with the suit, shirts worn by **Ronaldo**, the young soccer phenom who plays for Inter Milan, and **George Weah** of AC Milan, also will be offered.

□

An auction of the possessions of the late **Duke and Duchess of Windsor**, which was postponed because of the deaths of **Diana** and **Dodi al Fayed**, will be held Feb. 17 to 27 by Sotheby's in New York. The auction said Wednesday that the sale would take place from Feb. 19 to 27. The collection of paintings, pieces of furniture, letters, photos and other items was acquired by **Mohamed al Fayed**, owner of London's Harrods department store, after the death of the duchess in 1986.

□

The police found nothing artistic about the red line scrawled across a painting by **Yoko Ono** valued at $240,000. **Jason Platt**, 22, was charged with felony vandalism for using a felt-tipped marker to deface "Part Painting/A Circle" and was released on $7,500 bond. The painting by the widow of the former Beatle **John Lennon**, was on display at the Contemporary Arts Center in Cincinnati in an exhibition that ended Friday, the same day Platt surrendered.

□

The new editor of National Review will be **Rich Lowry**, the magazine's 29-year-old national political reporter. The University of Virginia graduate was named after lunching with the magazine's founder, **William F. Buckley** last week. Lowry succeeds **John O'Sullivan** .... Earlier this week, fire swept through two bedrooms and a bathroom at Buckley's house in Stamford, Connecticut, causing at least $75,000 in damage.

Universal Pictorial Press

A partial victory for Brigitte Bardot.

□

A weeping **Billy Preston** was sentenced to three years in prison for violating probation he received for cocaine possession. A California judge rejected pleas for leniency and ordered the maximum sentence, saying prison will save the life of the 51-year-old Grammy-winning singer and keyboardist.

□

The Los Angeles airport would be renamed **Jimmy Stewart** International Airport if a county supervisor gets his way. The film star flew 20 World War II combat missions — reason enough to honor him, **Mike Antonovich** said.

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